Ontario

STANDING COMMITTEE
ON
RESOURCES DEVELOPMENT

REPORT ON "RESHAPING WORKERS' COMPENSATION FOR ONTARIO" BY PAUL C. WEILER - 1980 ("THE WEILER REPORT") AND "GOVERNMENT OF ONTARIO WHITE PAPER ON THE WORKERS' COMPENSATION ACT" - 1981 ("THE WHITE PAPER")

FINAL REPORT

DECEMBER 1983

3rd Session 32nd Parliament
32 Elizabeth II

TO: THE HONOURABLE JOHN TURNER
Speaker of the Legislative Assembly of the Province of Ontario

Sir:

On behalf of the Members of the Standing Committee on Resources Development appointed by the Legislative Assembly of the Province of Ontario on March 16th, 1982 and April 22nd, 1983, I have the honour of submitting the attached report on a certain matter which was referred to the above Committee on June 4th, 1982 - Votes and Proceedings - Number 55 - by Order of the House as follows:

Resolved, That, the following documents be referred to the Standing Committee on Resources Development for its consideration and Report thereon to the House: (1) "Reshaping Workers' Compensation for Ontario" by Paul C. Weiler, dated November, 1980 ("The Weiler Report"); and (2) "Government of Ontario White Paper on the Workers' Compensation Act" tabled June 25th, 1981 ("The White Paper").

Bill Barlow

Bill Barlow, M.P.P.
Cambridge
Chairman

Appointed April 22, 1983
Revised October 11, 1983

THIRD SESSION: THIRTY-SECOND PARLIAMENT

MEMBERS OF THE STANDING COMMITTEE ON RESOURCES DEVELOPMENT

ON THE REPORTS ENTITLED "RESHAPING WORKERS' COMPENSATION FOR ONTARIO" (THE WEILER REPORT) AND "GOVERNMENT OF ONTARIO WHITE PAPER ON THE WORKERS' COMPENSATION ACT" (THE WHITE PAPER)

Bill Barlow, M.P.P.	Lincoln
John Lane, M.P.P.	Algoma-Manitoulin
Floyd Laughren, M.P.P.	Nickel Belt
Allan McLean, M.P.P.	Simcoe East
Rene Piché, M.P.P.	Cochrane North
Julian Reed, M.P.P.	Halton-Burlington
Jack Riddell, M.P.P.	Huron-Middlesex
John E. Stokes, M.P.P.	Lake Nipigon
John Sweeney, M.P.P.	Kitchener-Wilmot
Andy Watson, M.P.P.	Chatham-Kent
John Williams, M.P.P.	Oriole
Douglas Wiseman, M.P.P.	Lanark

Bill Barlow, M.P.P.	Chairman
John Williams, M.P.P.	Vice-Chairman
Andrew Richardson	Clerk of Committee
Merike Madisso/Jerry Richmond	Research Officers Legislative Research Service

Date Appointed
April 22, 1983

THIRD SESSION: THIRTY-SECOND PARLIAMENT

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ON THE REPORTS ENTITLED "RESHAPING WORKERS' COMPENSATION FOR ONTARIO" (THE WEILER REPORT) AND "GOVERNMENT OF ONTARIO WHITE PAPER ON THE WORKERS' COMPENSATION ACT" (THE WHITE PAPER)

Philip Andrewes, M.P.P.	Lincoln
Bill Barlow, M.P.P.	Cambridge
Gordon Dean, M.P.P.	Wentworth
John Lane, M.P.P.	Algoma-Manitoulin
Floyd Laughren, M.P.P.	Nickel Belt
Rene Piché, M.P.P. *	Cochrane North
Julian Reed, M.P.P. *	Halton-Burlington
Jack Riddell, M.P.P.	Huron-Middlesex
John E. Stokes, M.P.P. *	Lake Nipigon
John Sweeney, M.P.P.	Kitchener-Wilmot
Osie F. Villeneuve, M.P.P. **	Stormont, Dundas and Glengarry
John Williams, M.P.P.	Oriole

Bill Barlow, M.P.P.	Chairman
John Williams, M.P.P.	Vice-Chairman
Andrew Richardson	Clerk of Committee
Merike Madisso/Jerry Richmond	Research Officers, Legislative Research Service

* Mr. Hennessy replaced Mr. Piché on June 21, 1983;

* Mr. Wrye replaced Mr. Reed (Halton-Burlington) on June 21, 1983;

* Mr. Lupusella replaced Mr. Stokes on June 21, 1983.

Date Appointed
March 16, 1982

SECOND SESSION: THIRTY-SECOND PARLIAMENT

MEMBERS OF THE STANDING COMMITTEE ON RESOURCES DEVELOPMENT

ON THE REPORTS ENTITLED "RESHAPING WORKERS' COMPENSATION FOR ONTARIO" (THE WEILER REPORT) AND "GOVERNMENT OF ONTARIO WHITE PAPER ON THE WORKERS' COMPENSATION ACT" (THE WHITE PAPER)

Philip Andrewes, M.P.P.	Lincoln
Susan Fish, M.P.P.	St. George
Michael Harris, M.P.P.	Nipissing
Al Koyn, M.P.P.	Lakeshore
Floyd Laughren, M.P.P.	Nickel Belt
Ronald K. McNeil, M.P.P.	Elgin
Julian Reed, M.P.P. *	Halton-Burlington
Jack Riddell, M.P.P.	Huron-Middlesex
John E. Stokes, M.P.P. *	Lake Nipigon
John Sweeney, M.P.P.	Kitchener-Wilmot
Osie F. Villeneuve, M.P.P. **	Stormont, Dundas and Glengarry
John Williams, M.P.P.	Oriole

Michael Harris, M.P.P.	Chairman
Philip Andrewes, M.P.P.	Vice-Chairman
Andrew Richardson	Clerk of Committee
Merike Madisso/Jerry Richmond	Research Officers, Legislative Research Service

* Mr. Di Santo replaced Mr. Stokes on July 6, 1982;

* Mr. Wrye replaced Mr. Reed (Halton-Burlington) on July 6, 1982.

** The Committee wishes, in particular, to acknowledge the contribution made by Osie Villeneuve, a conscientious legislator and constituency worker whose death occurred on September 25, 1983.

THE STANDING COMMITTEE ON RESOURCES DEVELOPMENT

REPORT TO THE LEGISLATURE

THE LEGISLATIVE ASSEMBLY OF ONTARIO

SECOND SESSION: THIRTY-SECOND PARLIAMENT

LIST OF SUBSTITUTIONS

September 9, 1982	Mr. A. Brandt (Sarnia) for Mr. P. Andrewes (Lincoln)
September 15, 1982 (Thunder Bay)	Mr. A. Brandt (Sarnia) for Mr. P. Andrewes (Lincoln)
	Mr. M. Hennessy (Fort William) for Ms. S. Fish (St. George)
September 16, 1982 (Sudbury)	Mr. A. Brandt (Sarnia) for Mr. P. Andrewes (Lincoln)
	Mr. M. Hennessy (Fort William) for Ms. S. Fish (St. George)
September 22, 1982 (The Ontario Room Macdonald Block)	Mr. A. Brandt (Sarnia) for Mr. P. Andrewes (Lincoln)
September 29, 1982 (Windsor)	Mr. A. Brandt (Sarnia) for Mr. P. Andrewes (Lincoln)
	Mr. D. Cousens (York Centre) for Ms. S. Fish (St. George)
	Mr. B. MacQuarrie (Carleton East) for Mr. R. K. McNeil (Elgin)
	Mr. A. McLean (Simcoe East) for Mr. J. Williams (Oriole)
February 17, 1983	Mr. B. MacQuarrie (Carleton East) for Mr. R. K. McNeil (Elgin)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. O. Di Santo (Downsview) for Mr. J. Stokes (Lake Nipigon)
	Mr. G. Miller (Haldimand-Norfolk) for Mr. J. Sweeney (Kitchener-Wilmot)

THE STANDING COMMITTEE ON RESOURCES DEVELOPMENT

REPORT TO THE LEGISLATURE

THE LEGISLATIVE ASSEMBLY OF ONTARIO

THIRD SESSION: THIRTY-SECOND PARLIAMENT

LIST OF SUBSTITUTIONS

April 26, 1983	Mr. J. Pollock (Hastings-Peterborough) for Mr. G. Dean (Wentworth)
	Mr. J. Johnson (Wellington-Dufferin-Peel) for Mr. R. Piché (Cochrane North)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. B. Newman (Windsor-Walkerville) for Mr. J. Riddell (Huron-Middlesex)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
April 27, 1983	Mr. E. Havrot (Timiskaming) for Mr. B. Barlow (Cambridge)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
April 28, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 3, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 4, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)

May 5, 1983	Mr. R. L. Treleaven (Oxford) for Mr. P. Andrewes (Lincoln)
	Mr. R. D. Kennedy (Mississauga South) for Mr. J. Lane (Algoma-Manitoulin)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 11, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. R. Haggerty (Erie) for Mr. J. Riddell (Huron-Middlesex)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 12, 1983	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 17, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 18, 1983	Mr. R. W. Runciman (Leeds) for Mr. R. Piché (Cochrane North)
	Mr. R. Haggerty (Erie) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 19, 1983	Mr. H. Sheppard (Northumberland) for Mr. J. Lane (Algoma-Manitoulin)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 24, 1983	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
	Mr. B. MacQuarrie (Carleton East) for Mr. O. F. Villeneuve (Stormont, Dundas and Glengarry)

May 25, 1983	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
	Mr. E. Havrot (Timiskaming) for Mr. O. F. Villeneuve (Stormont, Dundas and Glengarry)
May 26, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 30, 1983	Mr. R. D. Kennedy (Mississauga South) for Mr. G. Dean (Wentworth)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
May 31, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
June 1, 1983 (outside Legis. Bldg.)	Mr. O. Di Santo (Downsview) for Mr. F. Laughren (Nickel Belt)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Ms. S. Copps (Hamilton Centre) for Mr. J. Riddell (Huron-Middlesex)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
June 2, 1983 (After Routine Proceedings)	Mr. A. McLean (Simcoe East) for Mr. P. Andrewes (Lincoln)
	Mr. R. D. Kennedy (Mississauga South) for Mr. J. Lane (Algoma-Manitoulin)
	Mr. J. A. Renwick (Riverdale) for Mr. F. Laughren (Nickel Belt)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)

June 2, 1983 (evening)	Mr. J. A. Renwick (Riverdale) for Mr. F. Laughren (Nickel Belt)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. B. Newman (Windsor-Walkerville) for Mr. J. Riddell (Huron-Middlesex)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
	Mr. E. Havrot (Timiskaming) for Mr. J. Williams (Oriole)
June 6, 1983	Mr. R. L. Treleaven (Oxford) for Mr. P. Andrewes (Lincoln)
	Mr. J. A. Renwick (Riverdale) for Mr. F. Laughren (Nickel Belt)
	Mr. P. Gillies (Brantford) for Mr. R. Piché (Cochrane North)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
June 7, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
June 8, 1983	Mr. J. A. Renwick (Riverdale) for Mr. F. Laughren (Nickel Belt)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Ms. S. Copps (Hamilton Centre) for Mr. J. Riddell (Huron-Middlesex)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
	Mr. P. Gillies (Brantford) for Mr. R. Piché (Cochrane North) (afternoon session only)
June 13, 1983	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)

June 15, 1983	Mr. E. W. Martel (Sudbury East) for Mr. F. Laughren (Nickel Belt)
	Mr. B. MacQuarrie (Carleton East) for Mr. R. Piché (Cochrane North)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
June 22, 1983	Mr. O. Di Santo (Downsview) for Mr. F. Laughren (Nickel Belt)
	Mr. M. Hennessy (Fort William) for Mr. R. Piché (Cochrane North)
	Mr. B. Wrye (Windsor-Sandwich) for Mr. J. Reed (Halton-Burlington)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
* * *	* * *
July 7, 1983	Mr. M. Kells (Humber) for Mr. P. Andrewes (Lincoln)
	Mr. A. M. Robinson (Scarborough-Ellesmere) for Mr. G. Dean (Wentworth)
July 11, 1983	Mr. M. Kells (Humber) for Mr. P. Andrewes (Lincoln)
	Mr. A. M. Robinson (Scarborough-Ellesmere) for Mr. G. Dean (Wentworth)
July 12, 1983	Mr. M. Kells (Humber) for Mr. P. Andrewes (Lincoln)
	Mr. A. M. Robinson (Scarborough-Ellesmere) for Mr. G. Dean (Wentworth)
July 13, 1983	Mr. M. Kells (Humber) for Mr. P. Andrewes (Lincoln)
	Mr. A. M. Robinson (Scarborough-Ellesmere) for Mr. G. Dean (Wentworth)
July 14, 1983	Mr. M. Kells (Humber) for Mr. P. Andrewes (Lincoln)
	Mr. A. M. Robinson (Scarborough-Ellesmere) for Mr. G. Dean (Wentworth)
July 15, 1983	Mr. M. Kells (Humber) for Mr. P. Andrewes (Lincoln)
	Mr. A. M. Robinson (Scarborough-Ellesmere) for Mr. G. Dean (Wentworth)
* * *	* * *

September 6, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. B. MacQuarrie (Carleton East) for Mr. G. Dean (Wentworth)
September 7, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. B. MacQuarrie (Carleton East) for Mr. G. Dean (Wentworth)
	Mr. H. Epp (Waterloo North) for Mr. J. Sweeney (Kitchener-Wilmot)
September 8, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. B. MacQuarrie (Carleton East) for Mr. G. Dean (Wentworth)
	Mr. H. Epp (Waterloo North) for Mr. J. Sweeney (Kitchener-Wilmot)
September 9, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. B. MacQuarrie (Carleton East) for Mr. G. Dean (Wentworth)
	Mr. J. Pollock (Hastings-Peterborough) for Mr. J. Lane (Algoma-Manitoulin)
	Mr. H. Epp (Waterloo North) for Mr. J. Sweeney (Kitchener-Wilmot)
September 12, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. R. D. Kennedy (Mississauga South) for Mr. G. Dean (Wentworth)
	Mr. E. Eves (Parry Sound) for Mr. M. Hennessy (Fort William)
	Mr. R. Haggerty (Erie) for Mr. J. Sweeney (Kitchener-Wilmot)
September 13, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. R. D. Kennedy (Mississauga South) for Mr. G. Dean (Wentworth)
	Mr. E. Eves (Parry Sound) for Mr. M. Hennessy (Fort William)
	Mr. M. Elston (Huron Bruce) for Mr. J. Sweeney (Kitchener-Wilmot)

September 14, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. R. D. Kennedy (Mississauga South) for Mr. G. Dean (Wentworth)
	Mr. E. Eves (Parry Sound) for Mr. M. Hennessy (Fort William)
	Mr. H. Sheppard (Northumberland) for Mr. J. Williams (Oriole)
September 15, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. R. D. Kennedy (Mississauga South) for Mr. G. Dean (Wentworth)
	Mr. E. Eves (Parry Sound) for Mr. M. Hennessy (Fort William)
	Mr. R. Haggerty (Erie) for Mr. J. Sweeney (Kitchener-Wilmot)
	Mr. H. Sheppard (Northumberland) for Mr. J. Williams (Oriole)
September 16, 1983	Mr. A. Kolyn (Lakeshore) for Mr. P. Andrewes (Lincoln)
	Mr. P. J. Yakabuski (Renfrew South) for Mr. G. Dean (Wentworth)
	Mr. M. Kells (Humber) for Mr. M. Hennessy (Fort William)
	Mr. R. Haggerty (Erie) for Mr. J. Sweeney (Kitchener-Wilmot)
November 9, 1983	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
	Mr.J.Pollock(Hastings-Peterborough) for Mr. D. Wiseman (Lanark)
November 23, 1983	Mr.J.Pollock(Hastings-Peterborough) for Mr. A. McLean (Simcoe East)
	Mr. T. Lupusella (Dovercourt) for Mr. J. Stokes (Lake Nipigon)
November 29, 1983	Mr. O. Di Santo (Downsview) for Mr. J. Stokes (Lake Nipigon)
December 1, 1983	Mr. B. Newman (Windsor-Walkerville) for Mr. J. Sweeney (Kitchener-Wilmot)

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APPENDIX F: Section 36 of the Workers' Compensation Act as Drafted by the Association of Injured Workers' Groups

MATERIAL CITED IN FOOTNOTES

SUMMARY OF COMMITTEE RECOMMENDATIONS

PART I

1. THE EARNINGS CEILING

The ceiling for the calculation of covered earnings should be increased starting at 175% of the average industrial wage (AIW), and at 5% increments for 5 years, up to 200% of the average industrial wage.

This recommended ceiling shall also be consistently used for the computation of other benefit levels or awards which are affected by this AIW-related earnings ceiling.

> (White Paper proposal: The ceiling for the calculation of covered earnings (currently $25,500) should be increased to 250% of the average industrial wage in Ontario (currently, approximately $50,000).)

2. TEMPORARY COMPENSATION BENEFITS

The White Paper proposal on temporary compensation benefits should be adopted.

> (White Paper proposal: Temporary Compensation benefits should be based on 90% of pre-injury net disposable earnings (instead of the present base of 75% of gross earnings).)

3. THE DUAL AWARD SYSTEM

This proposal should be adopted with consideration being given to either lump sum or equivalent instalment payment and with implementation of the dual award program scheduled to commence as soon as possible, but not later than January 1, 1987. The Committee further recommends that the Workers' Compensation Board be instructed to proceed forthwith, working in conjunction with industry, to develop and implement a viable and detailed financial and administrative program.

> (White Paper proposal: A dual award system should be instituted for permanent disability: a lump-sum to be paid according to the degree of impairment, and continuing periodic payments to be made only when wages are actually lost.)

4. "STACKING" OF BENEFITS

The White Paper proposal on "stacking" of benefits should be adopted.

> (White Paper proposal: "Stacking" of benefits should be reduced by deducting CPP disability and survivor benefits from WCB benefits in cases of permanent disability and survivor awards.)

5. RETIREMENT INCOME LOSS BENEFITS

The White Paper proposal regarding retirement income loss benefits should be adopted, but the phrase "attains the age of 65" should be replaced with the word "retires".

> (White Paper proposal: Wage loss benefits for permanent disability should cease when the worker attains the age of 65, to be replaced with retirement income loss benefits.)

6. EMPLOYMENT BENEFITS

The White Paper proposal on employment benefits should be adopted and the WCB should develop policies on the exact benefits that should be covered past one year.

> (White Paper proposal: The employer should maintain the workers' employment benefits (including private pensions) while the worker is on total disability benefits, for a maximum of one year.)

7. FATAL ACCIDENT CASES

Proposal 7 of the White Paper should be adopted, with the amendment that the capital sum should equal 175% of the Average Industrial Wage, and that this percentage of the AIW should rise 5% annually to 200%, in keeping with the Committee's recommendation regarding Proposal 1.

> (White Paper proposal: In new fatal accident cases, survivor and dependent awards should be decided according to a new formula: annually adjusted pensions calculated on the basis of the deceased's pre-accident earnings (rather than flat rates, as currently), the percent of such awards to vary with the age of the spouse; a capital sum equal to 250% of the average industrial wage (approximately $40,000 in 1980), adjusted for spouse's age, awarded to the spouse; such capital sum to be the sole compensation of spouses under 40 with no dependents.)

8. ADJUSTMENTS FOR INFLATION

Proposal 8 of the White Paper should be adopted.

> (White Paper proposal: Compensation benefit awards under the new Act should be reviewed annually by Cabinet for possible adjustments for inflation, such review to follow a public report by the Workers' Compensation Board and any such adjustments to be made by regulation.)

9. ONE-DAY WAITING PERIOD

Proposal 9 of the White Paper should be adopted.

> (White Paper proposal: The one-day waiting period for benefits should be eliminated, and the employer should be required to pay the injured employee his normal wages for the day on which his injury occurs.)

10. COVERAGE OF DOMESTICS

This White Paper proposal on the compulsory extension of coverage to domestics should be adopted. The Committee believes that this provision can be practically applied to cover only full-time domestics who work for one employer. The Committee is confident that the WCB can develop an appropriate administrative procedure and rating schedule to extend coverage to domestics.

> (White Paper proposal: WCB coverage should be extended to domestics.)

11. INDEPENDENT APPEALS TRIBUNAL

Proposal 11 of the White Paper should be adopted, and s. 57(1)(a) of the Draft Act (which provides that a panel of the Appeals Tribunal may consist of the Chairman of Appeals or a Vice-Chairman of Appeals sitting alone) should be deleted. Section 55(2) should also be amended to provide that a quorum must consist of three people.

> (White Paper proposal: An independent, tripartite appeals tribunal should be established.)

12. MEDICAL REVIEW PANELS

White Paper Proposal 12 should be adopted, subject only to the stipulation that the personnel of each medical review panel should be drawn by lot or by random selection from the roster of medical specialists established by the Lieutenant Governor in Council.

> (White Paper proposal: A new system of independent Medical Review Panels should be established.)

13. CORPORATE BOARD

A new Corporate Board should be established with an executive core and outside directors who are representative of labour, management, medicine, vocational rehabilitation, occupational health and safety, the economics of income maintenance and other relevant fields. Section 39(1) of the Draft Act should be amended to identify these fields from which the outside directors shall be chosen, without limiting the right to select persons from other areas of business or social expertise.

> (White Paper proposal: A new Corporate Board with outside directors should be established.)

14. WORKER ADVISER

This office should be expanded, it should be decentralized across the province, and its independence from the Workers' Compensation Board should be affirmed by its transfer to the Ministry of Labour. The Committee also recommends that the adviser be available to assist workers in all aspects of their dealings with the Board and not just in connection with appeals.

> (White Paper proposal: The office of the worker adviser should be expanded and made independent of the Board.)

15. EMPLOYER ADVISER

This office should be established and its independence from the Workers' Compensation Board should be affirmed by housing it within the Ministry of Labour. The Committee also recommends that this office be separate from the office of the employee adviser. The employer adviser should also be available to assist employers in all aspects of their dealings with the Board and not just with appeals.

> (White Paper proposal: A new office of the employer adviser should be established, to be independent of the Board.)

16. ACCESS TO CLAIM RECORDS

This proposal should be adopted with the provision that the employer should be granted access to those records deemed relevant by the Board only with the knowledge of the employee. The Board would therefore be responsible for informing the employee or his representative as to what material had been made available to the employer. Any dispute regarding the Board's referral decision could be appealed to the appeals tribunal. The Committee also agrees that sensitive medical information shall be made available by the Board to the worker's doctor for release to the worker at the doctor's discretion.

> (White Paper proposal: Full access to claim records should be made available to the employee and his representative; the employer and his representative will be granted access to those records deemed relevant by the Board in cases where the employer contests either an application for compensation or his accountability for costs.)

17. EXPERIENCE-RATING

This proposal should be accepted in principle with the provision that the Workers' Compensation Board should develop a meaningful and detailed program for the implementation of experience-rating. The current penalties for the non-reporting of injuries should be reviewed, and amended as deemed appropriate, to ensure the effective operation of the experience-rating program.

> (White Paper proposal: A mandatory experience-rating plan for individual employers should be instituted.)

18. WORK DEEMED SUITABLE AND AVAILABLE

This proposal should be adopted with the provision that the legislation, and Section 21(5) of the Draft Act in particular, should contain the following definitions of suitable and available: "suitable" work should be work which the individual is physically capable of performing, for which the individual is qualified, and which does not place unrealistic demands on the worker and work should be considered to be "available" to the worker when the worker has actually been offered specific work that is suitable. In addition, Section 21(5) of the Act should be amended to read:

Where it appears to the Board that a worker receiving compensation has refused to accept suitable available employment notwithstanding the injury, the Board shall consider the worker to have earned the average earnings payable from such employment in calculating the loss of earnings.

> (White Paper proposal: A worker should accept available work deemed suitable by the Board, or lose equivalent compensation.)

19. RIGHT OF REINSTATEMENT

This White Paper proposal on the rights of reinstatement for injured workers should be adopted. Nonetheless, the Committee recognizes that the WCB may exercise discretion in applying this proposal to small employers. The Committee also recommends that the phrase "unless the collective agreement or arrangement is more generous to injured workers" be added to subsection 25(5) in order to allow individual collective agreements to be more generous in the reinstatement of injured workers.

> (White Paper proposal: A worker should have the right to return to his old job, if he is able; and if he is no longer capable of performing that job, he should have a limited right to another suitable job in the same enterprise.)

20. EMPLOYER RE-EMPLOYMENT RESPONSIBILITY

Proposal 20 of the White Paper should be adopted, with the provision that the word "deemed" in this proposal be replaced by the word "considered".

> (White Paper proposal: An employer should offer re-employment to an injured worker if suitable work is deemed to be available by the Board, or face increased assessment costs.)

21. EMPLOYMENT DISCRIMINATION

The revised Workers' Compensation Act should mention that the remedies of the Human Rights Code are available for dealing with discrimination against injured workers in employment.

> (White Paper proposal: Employment discrimination for seeking and/or receiving benefits under this Act should be prohibited.)

PART 2

EXISTING CLAIMS

1. Existing pensioners would have the right to transfer to the new system within 3 years of the date of imposition of the new system or detailing of the options under Principle #5, whichever comes later. After the new Act comes into force, all new claims would be dealt with under the new system.

2. Whoever among existing pensioners chooses to transfer to the new Act would be compensated for wage loss, with the historical ceiling of 125 percent of the average industrial wage loss applied to such claims. On transfer, such claimants would not be eligible to receive the lump sum under the dual award system of Proposal 3. It should be understood that, on transfer, current monthly pension benefits cease forthwith.

3. Whoever among existing pensioners chooses to remain under the current monthly disability pension system would have benefits increased for inflation in conformity with the increases granted under Proposal 8.

4. Existing pensioners would have the right to elect to commute - i.e., convert to a lump-sum - their current monthly pension during the 3-year option period referred to under Principle #1. The value of such commutation should be determined on the basis of the monthly pension payable at the time of the exercise of this option. A discount rate of 7 percent would be used. Any recurrence in connection with these claims would be dealt with under the current Act.

5. Existing pensioners would receive a financial fact sheet from the Board providing general financial data on the options available with the coming into force of the new Act.

6. With regard to the treatment of dependent survivors receiving benefits under the existing Act, the Committee endorses the fourth principle of the White Paper proposal on this matter.

7. With regard to the application of the new appeals system to claims which predate the proposed Act, the Committee endorses the fifth principle of the White Paper proposal on this matter.

> (White Paper proposal:
>
> First, no injured worker with an existing benefit or claim will be forced to transfer to the new system. Each such injured worker will be allowed to elect either (a) to continue to be dealt with under the existing Act, or (b) to have his situation appraised under the new Act. This choice will not have to be made at once but will remain available for the duration of existing claims. Those workers electing to remain under the old Act would not be eligible to have their pensions indexed for inflation.
>
> Second, those workers who were injured previously but who elect to transfer to the new Act will have their benefits recalculated on the basis of actual wage loss. Only such recalculated benefits will be eligible for annual adjustment to future inflation. The injured worker's actual wage loss will be compensated in the same way as if the injury were suffered and compensation awarded after the new Act came into effect, but the earnings ceiling applied to these prior injuries will be set at the historical level of approximately 125% of the average industrial wage.
>
> Third, no existing Workers' Compensation pensioner transferring to the new scheme will receive a lump-sum award. Only actual wage loss will be compensated.
>
> Fourth, dependent survivors receiving benefits under the existing Act will not be allowed to transfer to the jurisdiction of the new Act, due to the substantial differences in overall approach. They will however, be granted an annual adjustment to the existing Act's flat benefits on a basis consistent with the adjustments being made by Regulation for claims filed under the new Act.
>
> Fifth, the new appeals system will handle claims which predate it only in respect of decisions which must be made about benefits extended to claimants under the new Act.)

FINANCIAL MANAGEMENT, UNFUNDED LIABILITY, AND COST OF COMMITTEE PROPOSALS*

Unfunded Liability

An immediate study should be conducted by the WCB to determine whether the unfunded liability should be reduced and, if so, by how much. This study should be based on the principle that WCB funding and the financing of the unfunded liability are the exclusive responsibilities of employers.

The government should appoint an outside committee, with broad representation from interest groups including labour and management, to make recommendations on appropriate methods of effecting any proposed reductions in the unfunded liability.

Cost of Committee Proposals

The Committee is of the opinion that the Government must take into consideration the cost factors in Appendix E in developing new legislation and policy that will recognize and give effect to the recommendations of the Committee.

The Government has an obligation to the injured workers and to the employers of Ontario to introduce at the earliest opportunity financially viable and financially achievable legislation supportive of the Committee recommendations.

VOCATIONAL REHABILITATION*

The Workers' Compensation Board should aggressively upgrade and broaden vocational rehabilitation services for injured workers so as to give appropriate effect to the provisions of section 36 of the Draft Act.

DECENTRALIZATION*

In light of the significant benefits that result from decentralization, the Workers' Compensation Board should, as soon as possible, implement a program of decentralization modelled on its London and Sudbury regional offices.

BENEFIT TERMINATION/REDUCTION NOTICES*

The Board's written notice informing an injured worker of a termination or reduction in benefits should explain the reasons for this decision and should also inform the worker of his right to submit additional pertinent information regarding the claim within 10 working days. This provision, however, should not be taken to mean that benefits should cover the entire 10-day period or whatever period of time the worker takes to submit such pertinent information.

SAFETY TRAINING AND ACCIDENT PREVENTION*

The Workers' Compensation Board should continue to co-ordinate and to review the activities of existing safety associations with a view to further improving existing safety training and accident prevention programs. In addition, the safety associations should engage in discussions with St. John Ambulance and the Canadian Red Cross Society to assist in improving these programs.

RIGHT OF ACTION*

The Draft Act should be amended so as to eliminate the possibility of an action in tort against an executive officer of a corporation.

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*Note: The White Paper does not contain specific proposals on these matters.

Introduction

The Standing Committee on Resources Development considered the report Reshaping Workers' Compensation for Ontario, (1980) prepared by Professor Paul Weiler for the Minister of Labour, and the related White Paper on the Workers' Compensation Act (1981), which represents the Ministry of Labour response to Professor Weiler's report, pursuant to Orders of the House dated June 4, 1983, April 22, 1983, and June 21, 1983 (See Appendix A).

In considering these two documents, the Committee focused its attention on the 21 major proposals of the White Paper (See Appendix B), which comprise Part 1 of this report. Other matters relating to workers' compensation - such as the treatment of existing claims, rehabilitation and retraining, right of action, some of which are mentioned in either Professor Weiler's report or the White Paper, or were brought to the attention of the Committee - are dealt with in Part 2 of this report. The White Paper also contains a draft, revised Workers' Compensation Act. However, for the purpose of the Committee's report, citations are to the revised Draft Act which was compiled by the Ministry of Labour with the assistance of the Workers' Compensation Board in August 1982 (See Item 11 in Appendix D).

The second volume of Professor Weiler's review, entitled Protecting the Worker from Disability: Challenges for the Eighties (1983), which deals with such matters as industrial disease, was outside the terms of reference of this Committee.

This report reflects written submissions, presentations, and related discussion associated with 53 organizations/agencies and 9 private citizens, who appeared before the Resources Development Committee. Hearings were held in two phases during September, 1982 and in April-June, 1983. The fall hearings took place in Toronto for three days and one day each in Thunder Bay, Sudbury and Windsor. The spring hearings were held over a period of nineteen days in Toronto. They culminated in the appearance of Professor Paul C. Weiler before the Committee for four days in June, 1983. The recommendations also reflect proposals advanced in 93 written submissions and correspondence of many individuals and organizations who did not request to appear before the Committee. (Appendix C comprises a

"Chronological History of Appearances before Committee" and Appendix D consists of an "Exhibit List" for the Committee hearings). Following the conclusion of the public hearings in June, 1983, the Committee held 23 days of in camera deliberations in July, September, November and December 1983, in order to formulate this report.

The Committee wishes to express its appreciation to each of the witnesses, firms, or organizations for contributing their time, energy and interest to this review. The Committee is also grateful for the assistance of the staff of the Committee and of the Workers' Compensation Board. Special thanks are due to Andrew Richardson, Committee Clerk, and to Merike Madisso and Jerry Richmond of the Legislative Research Service, who drafted the Committee's report, and to Doug Cain, Director of the Claims Review Branch of the Workers' Compensation Board and William Kerr, Senior Executive Director and Assistant General Manager, Workers' Compensation Board. In accordance with the Committee's instructions, the researchers drafted this report. Special appreciation is also due the Board's Actuarial Services, and John Neal, Board Actuary, who provided invaluable assistance to the Committee by preparing cost estimates for various proposals and by providing data on the Board's financial status.

As a result of this thorough review, the Committee is convinced that the White Paper and Weiler proposals for reform constitute a worth-while and integrated reform package. While the Committee has modified some of the proposals, the basic integrity of this comprehensive package for reform remains intact. The Committee recognizes that all of the 21 White Paper proposals are important; however, proposals 1 through 4 and proposal 7, in particular, are recognized as being critical in establishing a new and more equitable basis for the compensation of injured workers and their dependents or survivors (Appendix B). Proposal 3, which establishes a "dual award system" for disability benefits, is recognized as being a crucial component, and probably the most important feature, of the new compensation system. Proposal 17, which establishes a system of experience-rating whereby employer assessments will be more directly related to their individual accident and safety records, is also recognized as an important feature of the new compensation system. Injured workers are also granted expanded statutory rights of re-employment (Proposals 19 and 20). If a worker refuses work that is regarded as available and suitable, the Board can reduce wage loss benefits equivalent to what the worker would have earned if so employed (Proposal 18).

Many of the other 21 proposals which relate to WCB administrative practices, particularly those relating to the establishment of independent appeal and medical review bodies, should serve to make Board practices more open to external review and participation. The Committee is confident that these procedures will provide improved mechanisms for the resolution of sensitive cases demanding careful consideration and judgement.

Because of these extensive deliberations, a majority of the Committee members believe that the White Paper proposals for reshaping workers' compensation will result in significant improvement in compensation for work-related injuries in the province which is Canada's most industrialized and which has Canada's largest provincial labour force. A majority of Committee members also believe that the new compensation system will result in an equitable and fair adjustment of assessments. There are dissents on some of the recommendations; these dissenting opinions follow the majority report. Under the new compensation system, the employer will be under strong financial pressure to reduce the incidence of work-place injuries. The Committee looks forward to a positive response to this reshaped workers' compensation system from the Minister of Labour and from the Government.

PART I

WHITE PAPER PROPOSAL I - THE EARNINGS CEILING

- The ceiling for the calculation of covered earnings ($25,500 effective July 1, 1983) should be increased to 250% of the average industrial wage in Ontario (approximately $50,000).

COMMITTEE RECOMMENDATION

- The ceiling for the calculation of covered earnings should be increased starting at 175% of the average industrial wage (AIW), and at 5% increments for 5 years, up to 200% of the average industrial wage.
- This recommended ceiling shall also be consistently used for the computation of other benefit levels or awards which are affected by this AIW-related earnings ceiling.

DISCUSSION

Under the White Paper proposal, and as provided in Section 18 of the Draft Workers' Compensation Act, the earnings ceiling for benefit purposes would be set in relation to Ontario's Average Industrial Wage*. During the Committee hearings, the AIW was assumed to be $20,000, which would translate into a proposed earnings ceiling of approximately $50,000. The present earnings ceiling under Section 45(1) of the current Workers' Compensation Act (as amended) is $25,500, which is equal to 128% of the AIW.

During the Committee discussion of this proposal, the major options which were discussed were: the abolishment of the earnings ceiling; the adoption of the White Paper proposal; the phasing in of an increased ceiling to the 250% level and to a point where the ceiling would eventually be abolished, or to a level above the current level but below 250%. In support of a move to abolish the ceiling, it was argued that, since workers' compensation is a form of no-fault insurance for work-related injury or accident which denies the worker the right to sue, the worker should be compensated fully for lost earnings.[1] Thus, even workers at the high end of the wage scale would be entitled to their full earnings. On the other hand, in recognition of the substantial financial impact of removing, or greatly increasing, the ceiling, it was proposed that any such increase should be phased in over a number of years. There was also significant concern over the financial impact upon business, and small business in particular, which would face significantly higher WCB assessments in moving to a 250% ceiling. This increase would occur at a time when industry is just beginning to recover from the recent, prolonged recession.

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* References to Sections of the Draft Act are to the revised Draft Workers' Compensation Act as compiled in August, 1982 (Appendix D: Item 11).

Following extensive discussion of the various alternatives, a majority of the Committee members felt that the recommendation to phase in an increase in the ceiling over five years from 175% to 200% of the AIW was a fair and reasonable proposal. This increase in the ceiling would be of substantial benefit to injured workers, and would, at the same time, allow industry, and small firms in particular, ample time to adjust to increased WCB assessments. Statistical information prepared and distributed to the Committee demonstrated that 96 percent of claimants' earnings would be fully covered at the 175% level and almost 98 percent of claimants' earnings would be fully covered at the 200% level.[2] A majority of the Committee therefore, feels that the reformed system, although excluding a small percentage of people from full coverage, represents an important step forward because it broadens the base of coverage. Professor Weiler himself acknowledged, at p. 35 of his study, that his recommendation of a ceiling of 250% of the Average Industrial Wage in the province would be a "drastic increase". Finally, the recommendation of the majority of the Committee, in as much as it reflects an attempt to compensate for income loss "as closely as is reasonably possible", is consistent with one of the principles of the White Paper:

> The structure of benefits. . .should compensate for actual income loss, as closely as is reasonably possible, in recognition of the fact that the statute denies workers the right to sue their employers for damages from occupational injuries. (p. 1).

In addition, the proposed ceilings would exceed those in most other Canadian provinces and be roughly comparable to ceilings in Alberta and Newfoundland.[3] Actuarial data provided to the Committee appear to demonstrate that, while the total cost of the revised benefit system with a new ceiling level will increase, these additional costs, if phased-in, can be absorbed by business.[4]

The Committee's proposal also corresponds to the position of the Canadian Manufacturers' Association (CMA). The CMA maintained that "to leap from the present ceiling. . .to a new one of over $50,000 is not only a drastic one-step increase but could also be a financial blow which some companies could not survive".[5] A majority of the Committee members accepted the argument of the CMA that the phasing-in of an increased ceiling is a reflection of what the economic system can bear. The Committee also accepts the CMA position as being representative of the view of the business community, which supports an enriched earnings ceiling for injured workers in Ontario while structuring the phasing of such an increase so as to allow ample time for adjustment.

As a final note, and in the interest of consistency, the Committee also decided that its recommendation of a phased ceiling increase should be applied to other appropriate sections of the Draft Act, such as sections 1(1)(b) - average industrial wage; s. 19-minimum compensation for loss of earnings; s. 22(5) - lump sum payment for permanent impairment; and s. 26(1) - lump sum payment to surviving spouse. These sections are affected by the earnings ceiling computation. All workers' compensation earnings or benefit award computations which are affected by the AIW, or the earnings ceiling, should use the phased ceiling increase as recommended.

WHITE PAPER PROPOSAL 2 - TEMPORARY COMPENSATION BENEFITS

- Temporary compensation benefits should be based on 90% of pre-injury net disposable earnings (instead of the present base of 75% of gross earnings).

COMMITTEE RECOMMENDATION

- The White Paper proposal on temporary compensation benefits should be adopted.

DISCUSSION

Under this proposal, and as specified in Section 17(1) of the Draft Workers' Compensation Act, temporary compensation benefits would be based on 90% of net pre-injury earnings. Under Section 21(1) net earnings would be computed by deducting, from gross earnings, income tax payable, Canada Pension Plan, and unemployment insurance premiums. Under the current Workers' Compensation Act (Sections 39 and 41), 75% of gross earnings is used as the basis for temporary total and temporary partial disability payments.

The major alternatives to the White Paper proposal discussed by the Committee included: a system whereby benefits would be based on 100% of net pre-accident income; or a system whereby, during the first 90 days of injury, benefits would be based on 90% of net income and after that period benefits would be based on 100% of net income. In support of a base of 100% of net income, it was argued that injured workers should not suffer a financial penalty when injured but should be fully compensated for lost earnings. In support of the system of providing full wage loss after 90 days, it was argued that this system would provide complete compensation for that estimated 7.7% of injured workers who suffer more serious injury and do not return to work within 90 days.[6]

In support of the proposal as contained in the White Paper, a majority of the Committee members agreed that the "90% of net" rather than "75% of gross" compensation benefit system was, in general, more beneficial to injured workers, particularly for those workers in the lower income brackets earning $20,000 or less.[7] In addition, under the "90% of net" system, workers, particularly those in the lower income brackets, would get slightly more than their pre-accident earnings in the early period while off work, according to comparative marginal and average tax rate data provided to the Committee by the Board.[8] The "90% of net" system, therefore, was shown to provide greater equity and financial benefit to workers during the earlier period while on temporary benefits.

This proposal was part of the total revised benefits package proposed by both Professor Weiler and the White Paper. The examples of other provinces which use a "90% of net" compensation system, such as Alberta, New Brunswick and Quebec, were also persuasive.[9] On balance, it was therefore felt by a majority of Committee members that this proposal was beneficial to most injured workers while, at the same time, responsive to the employer concerns about assessments.[10]

WHITE PAPER PROPOSAL 3 - THE DUAL AWARD SYSTEM

- A dual award system should be instituted for permanent disability: a lump sum to be paid according to the degree of impairment, and continuing periodic payments to be made only when wages are actually lost.

COMMITTEE RECOMMENDATION

- This proposal should be adopted with consideration being given to either lump sum or equivalent instalment payment and with implementation of the dual award program scheduled to commence as soon as possible, but not later than January 1, 1987. The Committee further recommends that the Workers' Compensation Board be instructed to proceed forthwith, working in conjunction with industry, to develop and implement a viable and detailed financial and administrative program.

DISCUSSION

Under this key White Paper proposal, and as provided in Sections 17(1), 21 and 22 of the Draft Act, a worker who suffers a permanent disability due to a work-related accident or industrial disease would receive a lump sum award and be eligible for a wage-loss-related periodic payment. The maximum amount of lump sum award would be tied to the income ceiling as established under Proposal 1. The maximum amount would be payable for a total physical impairment and the lump sum award would range downwards for reduced degrees of impairment. An age-related adjustment factor would also be applied to the lump sum award based on the worker's age above or below forty years of age.

The wage loss component would be paid for wages actually lost due to the disability on the basis of 90% of the difference in net earnings between pre-injury and post-injury jobs subject to other relevant provisions in the proposed legislation. If the worker was unable to work because of the injury or disability, the worker would receive, under this benefit structure, full wage loss benefits. However, as will be discussed in greater detail under Proposal 18, the Workers' Compensation Board may consider the worker to be capable of earning a certain sum if the employee rejects suitable and available work. The wage loss component might then be reduced accordingly.

In contrast to this dual award system, a worker who suffers a permanent disability under the current Workers' Compensation Act is eligible for a lifetime disability pension, with the "Permanent Disability Rating Schedule" (known popularly as the "meat chart") used to establish the degree of impairment and the compensation payable within the established statutory minimum and maximum benefit levels. The key difference under the existing and proposed systems is that, under the current Act, the injured worker with a permanent disability receives a life-time pension, whereas, under the proposed Act, the worker would receive a one-time lump sum payment plus compensation for wage loss only when wage loss actually occurs, without reference to the existing permanent disability rating schedule as regards wage loss. Implicit in the Committee's recommendation is that the current disability rating schedule will be upgraded and modified; the review of permanent impairment by the American Medical Association in the United States may be instructive in this regard.

This proposal was extensively discussed by the Committee and it was generally recognized that the acceptance of the dual award system was the key Weiler and White Paper proposal for the reshaping of workers' compensation in Ontario. Other major features of the revised compensation system, such as improved vocational rehabilitation services, were also recognized to be dependent upon the implementation of a wage loss system. The wage loss concept would encourage the Board to further improve its vocational rehabilitation services and employers would have a greater incentive to secure the re-employment of injured workers. Under this improved compensation system, coupled with the implementation of experience-rating under Proposal 17, employers would be more strongly motivated to improve their accident prevention and safety efforts. Over time, the Committee believes, these inter-related features of the new compensation system will have a moderating impact upon WCB assessments.

During Committee discussion of this proposal, one of the major concerns to emerge was that under the dual award system a worker who received the lump sum and then returned to work without experiencing wage loss would not receive a permanent periodic or monthly payment. The disability, however, is a permanent, 24-hour-a-day loss which affects the worker in all facets of life. It was therefore proposed to establish a dual award system in which the first component would be a life-time monthly disability pension which would be based on the percentage disability applied to the indexed Average Industrial Wage. The second component would be a wage loss periodic payment which would make up the difference between the initial AIW-related pension and the pre-accident earnings adjusted for inflation. The two payments together should not exceed net pre-accident earnings, adjusted for inflation.

This proposal, with suggested modifications in the computation of the disability pension component and a variation whereby a worker would receive a three-part payment (consisting of a lump sum for pain, suffering, and loss of enjoyment of life; a disability pension; and a wage loss pension) was thoroughly discussed by Committee members. While it was recognized that these proposals would grant substantially improved benefits to injured workers over the present system, a majority of Committee members were concerned over the significantly higher estimated costs of these alternatives as compared with the White Paper proposals.[11] It was agreed that a balance must be struck between improved benefits to injured workers and the costs of financing the new system through increased assessments levied against employers. A majority of Committee members felt that the White Paper dual award system represents a reasonable compromise which would substantially improve benefits to injured workers while having a manageable and fair impact upon assessments. Employers would also face strong financial incentives to improve their safety records and thereby reduce their assessment rates.

In response to the concern that under the White Paper's dual award system the injured worker might not receive any regular pension after the lump sum payment, the majority recommendation does provide for the lump sum to be paid on an equivalent instalment or monthly basis. The Committee assumes that the Board, with the consent of the injured worker and his/her family, would have the discretion to pay either the lump sum or an instalment equivalent. However, the Committee also recognizes that below certain low disability levels it may not be practical to convert the lump sum to a monthly payment since the amount to be paid would be relatively small. Indeed, section 43(4) of the present Act allows the Board to award a lump sum where the impairment of earning capacity is below 10 percent.

While the Committee was strongly committed to improving compensation benefits to injured workers, a key concern for a majority of members was to accomplish this end while balancing the cost for employers, who would be responsible for increased assessments. The recommendation not only recognizes this concern, but also gives the WCB ample time to develop the financial and administrative practices necessary for smooth implementation of the dual award system. Industry would, through consultation with the Board, also have an opportunity to gear-up for the implementation of the new assessment scales.

In summary, the Committee believes that acceptance of and commitment to implementation of a dual award system, and the wage loss provision in particular, is in conformity with the following major principles of the White Paper:

> The structure of benefits in the Act should compensate for actual income loss, as closely as is reasonably possible, in recognition of the fact that the statute denies workers the right to sue their employers for damages from occupational injuries.
>
> Because compensation is at best a poor substitute for prevention, and only a temporary and partial alternative to re-employment, the Board's efforts in the areas of accident prevention and vocational rehabilitation should be expanded (p. 1).

WHITE PAPER PROPOSAL 4 - "STACKING" OF BENEFITS

- "Stacking" of benefits should be reduced by deducting C.P.P. disability and survivor benefits from W.C.B. benefits in cases of permanent disability and survivor awards.

COMMITTEE RECOMMENDATION

- The White Paper proposal on "stacking" of benefits should be adopted.

DISCUSSION

Currently, the compensation scheme in Ontario takes no account of the Canada Pension Plan, which pays disability and survivor benefits when a worker is totally disabled. Eligibility for such payments is based on the worker's contributions to the CPP. Therefore, if a worker is entitled to benefits under the federal plan, these payments are made in addition to benefits received under the Ontario workers' compensation legislation. The result is that, in some instances, a disabled worker may, in fact, be over-compensated - that is, he or she may be receiving more in benefits than he or she earned at work before the injury took place.

The Committee considered the jurisdictional argument that, since the Canada Pension Plan belongs to the federal government, the province has no right to modify its provisions; any such initiative to off-set provincial benefits against federal benefits should come from the federal government. The Committee also dealt with the argument that, since workers contribute to the CPP from their earnings, such an off-set results in a subsidy flowing to the private sector. Thus, injured workers (and taxpayers generally) are paying for their own wage loss through the replacement of provincial workers' compensation funds (provided by private sector employers) with CPP funds (paid for, in part, by the injured worker and other taxpayers). Finally, the Committee also considered a compromise position, whereby a person who is awarded wage loss by the Board and is also receiving CPP because he or she is totally disabled (but where only a percentage of the total disability is actually work-related), should be allowed to keep all of the CPP except that percentage which corresponds to the degree of work-related impairment.

However, the majority of the Committee was influenced by the fact that Saskatchewan and Quebec, which have adopted a dual award system, have also eliminated the "stacking" of benefits. Given that the dual award system already replaces income lost through injury in the workplace, the elimination of "stacking" is consistent with the wage loss benefit provision awards. The majority of the Committee thus endorses Professor Weiler's statement:

> The Canada Pension Plan is intended to establish a minimum floor for all Canadian workers. It is appropriate, then, that provincial workers' compensation serve as the last insurer which makes up the remaining income losses (p. 41).

Similarly, the majority of the Committee feels that its position is consistent with one of the three major principles underlying the proposals in the White Paper:

> The structure of benefits in the Act should compensate for actual income loss, as closely as is reasonably possible. . .(p. 1).

The treatment of this issue in s. 21 (dealing with disability payments) and s. 27 (dealing with survivors' benefits) of the Draft Act is, therefore, in accord with the Committee's espousal of Professor Weiler's and the White Paper's proposals.

WHITE PAPER PROPOSAL 5 - RETIREMENT INCOME LOSS BENEFITS

- Wage loss benefits for permanent disability should cease when the worker attains the age of 65, to be replaced with retirement income loss benefits.

COMMITTEE RECOMMENDATION

- The White Paper proposal regarding retirement income loss benefits should be adopted, but the phrase "attains the age of 65" should be replaced with the word "retires".

DISCUSSION

The current legislation provides at s. 43(1) that, "Where permanent disability results from the injury. . .the compensation shall be weekly or other periodical payment during the lifetime of the employee or such other period as the Board may fix. . . ." In contrast, the Draft Act provides, at s. 17(1), that ". . .the worker is entitled to compensation. . .so long as the injury and loss of earnings continues and until the worker reaches the age of sixty-five years or dies, whichever comes first." The Committee is in agreement with the intent of the White Paper that wage loss benefits paid to a permanently disabled worker should, upon the worker's retirement, be replaced by benefits representing expected retirement income. This position, together with Proposal 4 above, is the logical out-growth of the dual award system adopted by the Committee in the form of Proposal 3. Moreover, it is the position taken by Professor Weiler:

> But after the anticipated retirement age. . .the function of workers' compensation should be to compensate for loss of expected retirement income - i.e., for the loss of accumulated pension plan benefits under either public or private plans (p. 45).

The Committee feels, however, that s. 17(1) of the Draft Act and Proposal 5 would better serve the intent of the White Paper if the phrase "reaches the age of 65 years" in s. 17(1) and "attains the age of 65" in the White Paper proposal were replaced by the single word "retires". It is the Committee's unanimous opinion that the requirement of an age of 65 years does not take account of the wide variety of practices in the province with regard to retirement. A person retiring at the age of 67, for example, will have lost his or her wage loss benefits at the age of 65. On the other hand, someone who retires at the age of 60 will obtain wage loss benefits, though retired, until the age of 65. These are anomalies that the Committee does not believe were intended by the White Paper, and therefore recommends that the Draft Act be amended as described above.

WHITE PAPER PROPOSAL 6 - EMPLOYMENT BENEFITS

- The employer should maintain the worker's employment benefits (including private pensions) while the worker is on total disability benefits, for a maximum of one year.

COMMITTEE RECOMMENDATION

- The White Paper proposal on employment benefits should be adopted and the WCB should develop policies on the exact benefits that should be covered past one year.

DISCUSSION

The current Act does not compensate a totally disabled employee for the loss of "fringe" benefits - among these, for example, full employer-paid OHIP premiums, supplementary health care protection, dental plans, and contributions to private pension plans. Professor Weiler had the following to say on the matter:

> I believe the simplest solution to this problem is to require that all employers have their injured workers covered by their benefit plans so long as they are on temporary total compensation benefits. . . .If and when the Board deems that a worker has been permanently and totally injured and thus will not be returning to work, then the Board must provide acceptable substitutes for those fringe benefits, either in money or in kind (p. 44).

The Draft Act modified Professor Weiler's proposal by introducing a twelve-month post-injury period, during which time the employer is responsible for maintaining full benefits (s. 23(1)). After the twelve-month period, the Board, under s. 23(2), is required to maintain "such full employment benefits as long as the compensation is payable or to compensate the worker thereof in money or in kind."

The Committee considered a number of alternatives to this proposal, among them the following: that the injured worker pay his or her own share of benefits; that the employer alone pay benefits for life or until retirement; that the current system be maintained; that this proposal apply only to a worker who will never be capable of returning to work. The Committee also specifically looked at whether or not contributions to the Canada Pension Plan and Unemployment Insurance - contributions which cease when an injured worker is off work - could and should be continued during this period of unemployment. Negotiations between the Ontario government and the Government of Canada would, of course, be necessary if such a change were to be effected.

Finally, however, a majority of the Committee members felt that the White Paper proposal, by providing for totally disabled workers a measure of compensation that they currently lack, would most effectively ensure that such workers are compensated for actual income loss.

Further discussion took place regarding the situation of the worker who returns to a job where the benefits are lower than at the pre-accident job or where they do not exist at all. Professor Weiler attached considerable importance to the matter of fringe benefits:

> The workers' compensation system must be designed to maintain the private benefit package previously provided by the employer, or at least to compensate the injured worker for loss of those benefits. So-called fringe benefits now typically comprise 25% to 30% of the total compensation package paid to employees for their services. Much of this is in the form of paid non-working time: statutory holidays, vacations, and leave of absence for a variety of reasons. I do not think that the Workers' Compensation Board should have to calculate the value of this time off and pay that amount to an injured worker who, after all, is not going to be at work in any event. But such significant benefits as employer-paid OHIP premiums, supplementary health care protection, dental plans, and contributions to a private pension scheme have become too important to be left out of consideration by workers' compensation. (p. 44)

In response to Professor Weiler's concern, the Committee considered the proposal that a worker returning to employment should be compensated in money or in kind for the loss of the benefits he or she had with the pre-accident employer. A number of arguments in support of such compensation - which has long been a major concern of injured workers - were made. It was argued, for example, that such a provision would apply to only a small percentage of workers, since only a small percentage are off work for longer than a year. Moreover, the proposal covers the less expensive benefits by excluding such items as vacation pay, statutory holidays, and leave of absence. The proposal would not, therefore, be an expensive one. These workers are, however, the most difficult to place and therefore in greatest need of assistance. Depriving them of fringe benefits would serve to demoralize them further. Nor would the proposal be difficult to implement, since the Board can establish the loss of fringe benefits at the same time as it establishes wage loss. But the argument most strongly pressed by some members of the Committee flows from the principle that the new wage loss system should compensate for actual income loss - and the loss of fringe benefits, which are taxable, is part of such a loss. If the wage loss system is undermined and people must rely on social assistance to live, injured workers and the public sector will be subsidizing the private sector.

On the other side of the issue, a majority of Committee members felt that the Committee recommendation, which corresponds with Professor Weiler's recommendation on the subject, constitutes a significant improvement in compensation benefits for injured workers. The substance of the White Paper proposal does not exist in the current compensation scheme. Moreover, it does not exist in other Canadian jurisdictions. The White Paper and the recommendation of the majority of the Committee therefore represent an important new initiative -- one which sets a precedent for other jurisdictions.

Given that the compensation system has already been expanded to this extent, a majority of the Committee members do not believe that it is appropriate to extend coverage of fringe benefits beyond the recommendation of the White Paper. The new system, as envisaged, will provide injured workers with substantially increased benefits; a majority of Committee members feel, therefore, that a further expansion of benefits cannot be justified at this time. In a climate of economic restraint, the members do not believe that business, and small business in particular, can support an even greater increase in their assessment costs.

Other matters more tangentially involved with the substance of the proposal were also addressed by the Committee. For instance, the establishment of a "group benefit package" by the Board, which would provide standardized benefits for all injured workers, was considered. However, it was also felt that injured workers should not obtain better benefits on compensation than when working. On this issue the Committee concluded that it would be appropriate for the Board to develop administrative policies on the exact benefits that should be provided to injured workers past the one-year period.

The Committee also questioned whether the 12-month period imposed on employers by s. 23(1) should be subject to the type of stipulation provided by s. 25(5) - viz., that, where a collective agreement provides for coverage for a period longer than 12 months, the agreement should prevail. A majority of members felt, however, that s. 23 as it now stands adequately carries the White Paper proposal into effect.

Finally, on a more minor note, the Committee was somewhat perplexed by the drafting of s. 23(1) and (2), since the word "total" does not appear in subsection (2). Although it may be argued that the word is implicit in s. 23(2), the subsection should, in the interests of clarity, be more specifically drafted by including the word "total" in s. 23(2).

WHITE PAPER PROPOSAL 7 - FATAL ACCIDENT CASES

- In new fatal accident cases, survivor and dependent awards should be decided according to a new formula: annually adjusted pensions calculated on the basis of the deceased's pre-accident earnings (rather than flat rates, as currently), the percent of such awards to vary with the age of the spouse; a capital sum equal to 250% of the average industrial wage, adjusted for spouse's age, awarded to the spouse; such capital sum to be the sole compensation of spouse under 40 with no dependents.

COMMITTEE RECOMMENDATION

- Proposal 7 of the White Paper should be adopted, with the amendment that the capital sum should equal 175% of the Average Industrial Wage, and that this percentage of the AIW should rise 5% annually to 200%, in keeping with the Committee's recommendation regarding Proposal 1.

DISCUSSION

Under the current legislation, survivors are paid benefits at a flat rate, with the rate established by the legislation (s. 36). The same section of the Act, as amended, also provides for burial expenses up to $1,400, for a lump sum of $1,400 to the widow or widower, and, upon remarriage of the spouse, for a lump sum equal to 2 years of fixed rate payments.

In keeping with Professor Weiler's recommendation that the replacement of actual wages lost be the goal of compensation legislation, the White Paper and the Draft Act have introduced a new scheme for the making of survivor awards in the case of new fatal accidents. Section 26 of the Draft Act provides for the awarding of a lump sum (which is the only award going to a childless spouse under the age of 40), which is based on the Average Industrial Wage and which is adjusted by an age factor. In those cases in which a spouse is also entitled to a pension, this will be awarded on the basis of the deceased spouse's pre-accident earnings. Section 26 also provides for the payment of necessary funeral expenses in an amount fixed by the Corporate Board. Section 27 states that benefits under the Canada Pension Plan will be deducted from periodic pension payments. Section 29 stipulates that a spouse who remarries or cohabits will lose his or her compensation. Section 30 requires the Board to provide counselling and vocational assistance to the surviving spouse. The White Paper and the Draft Act mirror the recommendations Professor Weiler made in his report regarding this area of benefits to surviving dependents, except that Professor Weiler did not consider varying the lump sum by an age factor.

During its deliberations, the Committee evaluated a number of other approaches to this matter. For example, the Committee considered whether, in all cases, monthly benefits should be equivalent to the deceased's pre-accident income; whether such benefits should, in all cases, consist of 90% of pre-accident income until rehabilitation of the spouse is complete; whether benefits should continue even after the spouse has remarried; whether age should or should not be a factor in determining the amount of the award to the spouse.

The last two approaches, in particular, received considerable Committee attention. Some members felt that all entitlement to benefits based upon marriage or cohabitation should be eliminated on the grounds that any such test would introduce irresolvable anomalies. For example, under the White Paper proposals, a surviving spouse would benefit financially if he or she cohabited for 11 months and then remarried, as compensation is cut off after 1 year of cohabitation but immediately upon remarriage. Similarly, if a "remarriage" fails, the "surviving spouse" loses all compensation, whereas, if he or she had remained unmarried, compensation would have been retained.

As regards the matter of the second test for entitlement as prescribed by the White Paper - namely, that of age - the Committee was again presented with an alternative to the White Paper proposal. Specifically, it was suggested that benefits for spouses without dependents should commence at age 35, rather than the recommended age of 40, and that the lump-sum payable should be adjusted for the spouse's age, but not, as the White Paper proposes, to decrease with the spouse's age, but rather to increase with it.

Finally, however, a majority of Committee members were of the opinion that the White Paper proposals should be upheld. The Committee is aware that, in some cases, the remarriage of a surviving spouse may result in financial hardship to the spouse. However, a majority of the Committee believes that in most cases remarriage does remove the need for continued financial support through compensation. The Committee is also aware that, in the case of a spouse who is under 40 years of age and has no dependents (and assuming that the capital sum awarded will be 175% of the AIW), such a spouse will receive a smaller award under the new legislation than he or she receives under the current Act. However, on balance, it is the opinion of a majority of Committee members that the new scheme represents, for almost all groups of survivors, a significant improvement over the current system. On the strength of this improvement, a majority of the Committee endorses the proposals put forward by Professor Weiler and the *White Paper*.

WHITE PAPER PROPOSAL 8 - ADJUSTMENTS FOR INFLATION

- Compensation benefit awards under the new Act should be reviewed annually by Cabinet for possible adjustments for inflation, such review to follow a public report by the Workers' Compensation Board, and any such adjustments to be made by regulation.

COMMITTEE RECOMMENDATION

- Proposal 8 of the White Paper should be adopted.

DISCUSSION

The issue of adjustments for inflation has been one of the more controversial in the area of compensation for injured workers. Criticism of the method by which cost-of-living raises are awarded has focused on what is perceived to be the infrequency of these awards, the cumbersome way in which they are made - through amendment to the legislation - and their inadequacy, given the level of inflation that exists in the province today.

The Committee, during its deliberations, gave serious consideration to these concerns. It also gave serious consideration to alternate ways of dealing with the problem in today's constrained economic situation: indexing tied to the Average Industrial Wage; indexing tied to the Consumer Price Index; and a combination of the two - in the case of short-term claims, indexing tied to the AIW and, in the case of long-term claims, to the CPI.

A majority of Committee members concluded that the White Paper proposal addresses and solves the problems that have arisen under the current scheme. Under the Draft Act (s. 33) the Compensation Board is required to report annually to the Cabinet and to make a recommendation regarding an adjustment for inflation. Thus, the matter of an adjustment is reviewed every year; the legislation also requires that the report be a public one. Secondly, any adjustments will henceforth be made by means of order-in-council, thereby obviating the necessity for more lengthy and more cumbersome legislative review. Finally, it is the feeling of a majority of Committee members that the Cabinet should be left free to adapt flexibly to changing economic circumstances. In the words of the White Paper:

> It would be a mistake to write into the statute a rigid legal rule which dictated automatic adjustments on the basis of a single index. Too many variables are relevant: not only the measures of inflation referred to above, but also the rate of return on the Board's investment portfolio and the overall growth in the provincial economy.

This reasoning seems persuasive to a majority of Committee members, who therefore recommend the adoption of Proposal 8.

WHITE PAPER PROPOSAL 9 - ONE-DAY WAITING PERIOD

- The one-day waiting period for benefits should be eliminated, and the employer should be required to pay the injured employee his normal wages for the day on which his injury occurs.

COMMITTEE RECOMMENDATION

- Proposal 9 of the White Paper should be adopted.

DISCUSSION

Whereas s. 3(3) of the current Act provides that "compensation for disability shall be computed and payable from and including the day following the day of the accident or from the date of the disability, whichever is the later", Section 6(2) of the Draft Act, on the other hand, reads:

> Where a worker is entitled to compensation for loss of earnings because of an injury, the employer shall pay to or on behalf of the worker the wages and benefits that the worker would have earned for the day or shift on which the injury occurred as though the injury had not occurred.

The Committee found no problem in coming to agreement with regard to this proposal, which seems a logical extension of the historical development of the Act on this point. Since many employers already pay the worker his or her wages for the day of the injury, it seems most efficient if the practice is made mandatory across the province, rather than change it by instituting a requirement that the Board cover the costs involved. The Committee notes that Professor Weiler made the same recommendation.

WHITE PAPER PROPOSAL 10 - COVERAGE OF DOMESTICS

- W.C.B. coverage should be extended to domestics.

COMMITTEE RECOMMENDATION

- This White Paper proposal on the compulsory extension of coverage to domestics should be adopted. The Committee believes that this provision can be practically applied to cover only full-time domestics who work for one employer. The Committee is confident that the WCB can develop an appropriate administrative procedure and rating schedule to extend coverage to domestics.

DISCUSSION

Under this proposal and as provided in Section 138 of the Draft Act, Section 131 of the current Act, which excludes domestics or menial servants or their employers from workers' compensation coverage, would be repealed. This statutory exclusion of domestics has been a feature of workers' compensation in Ontario since the original legislation of 1914.

In its discussion of this proposal, the Committee was in general agreement on the merits of including domestics under workers' compensation. However, there was some discussion over the difficulties of applying coverage and assessing premiums for domestic day workers who work for a variety of employers. In conformity with the White Paper (p. 32), the Committee felt that coverage could practically be extended only to full-time domestics who work for one employer. The Committee also believes that the Board should develop appropriate administrative mechanisms and procedures for extending compulsory coverage and establishing assessments for full-time domestics who work for one employer. Concern, however, was expressed that this recommendation does not include part-time domestics working for one employer.

WHITE PAPER PROPOSAL 11 - INDEPENDENT APPEALS TRIBUNAL

- An independent, tripartite appeals tribunal should be established.

COMMITTEE RECOMMENDATION

- Proposal 11 of the White Paper should be adopted, and s. 57(1)(a) of the Draft Act (which provides that a panel of the Appeals Tribunal may consist of the Chairman of Appeals or a Vice-Chairman of Appeals sitting alone) should be deleted. Section 55(2) should also be amended to provide that a quorum must consist of three people.

DISCUSSION

Both Professor Weiler and the White Paper recognized that reform of the current appeal system was required, given that several thousand appeals are lodged each year and approximately 700 cases a year find their way from the Board to the Ombudsman. Professor Weiler characterized the problem as "a serious erosion of finality in the system" (p. 111) and the White Paper has stated that "It is desirable that the need for intervention by the Ombudsman be reduced" (pp. 33-34). The 1982-1983 Annual Report of the Ombudsman indicates that 627 WCB cases were dealt with during this fiscal period.

Although recognizing that injured workers may continue to make use of the Ombudsman, the Committee agrees that the process requires greater finality, and therefore supports the constitution of a tribunal that will have exclusive jurisdiction over appeals and whose order or direction is final and conclusive, as provided by s. 58 of the Draft Act.

The Committee also gave considerable thought to the matter of the independence of such a body, and concluded that the tribunal, as constituted under the Draft Act, will be characterized by independent functioning and decision-making. In this connection, the Committee gave some consideration to recommending the removal of the Chairman of the Appeals Tribunal from membership on the Corporate Board, but the majority felt that such membership would contribute to administrative efficiency and would not detract from independent activity.

However, in one area, the Committee does wish to recommend a change to the Draft Act. Section 57(1)(a) provides that "A panel of the Appeals Tribunal shall consist of. . .the Chairman of Appeals or a Vice-Chairman of Appeals sitting alone." It is the Committee's opinion that justice would be better served if such one-person panels are disallowed by the legislation, on the grounds that decision-making at the appellate level - the final level - should have the benefit of participation by more than one person. Thus, the Committee recommends that the legislation provide that all panels should consist of three people. Section 55(2) should also be amended to provide that a quorum must consist of three people.

The Committee also heard concern expressed over s. 54(2) of the Draft Act, which allows for the holding of hearings in any place in Ontario, but does not provide that the number of panels created should be adequate to service, in a decentralized way, the large number of appeals launched by workers living outside Metropolitan Toronto. As regards the rest of the functioning of the Tribunal, however, the Committee is persuaded that, with the addition of the new appeal body to the internal review mechanisms that already exist - viz., the Claims Review Branch and the Appeals Adjudicator - the process whereby decisions are made by the Workers' Compensation Board would be substantially improved.

WHITE PAPER PROPOSAL 12 - MEDICAL REVIEW PANELS

- A new system of independent medical review panels should be established.

COMMITTEE RECOMMENDATION

- White Paper Proposal 12 should be adopted, subject only to the stipulation that the personnel of each medical review panel should be drawn by lot or by random selection from the roster of medical specialists established by the Lieutenant Governor in Council.

DISCUSSION

Professor Weiler analogizes the problem of medical decision-making to that of arriving at an appeal process which will "restore confidence and finality in this most contentious area of the Board's work." He finds that "a solution naturally suggests itself" which is "consistent with the position. . .articulated earlier about the general problem of appeals in workers' compensation" (p. 20). His solution, endorsed by the White Paper, and reflected in the Draft Act, is the use of medical review panels to provide final decisions on appeals which turn on specifically medical matters.

The Committee considered but rejected the proposal of one of its members that the family doctor of the injured worker should sit on medical review panels because it is the family doctor who best knows the worker's case. A majority of the Committee, therefore, in essential agreement with the White Paper's method of deciding medical differences between employer and employee, recommends only one change from the White Paper and the Draft Act. Specifically, the majority recommends that s. 82(2) of the Draft Act should provide that a medical review panel will consist of three medical specialists drawn by lot or by means of random selection from the roster established by the Lieutenant Governor in Council. Although some members argued that doctors are more likely to be "pro-employer" than "pro-worker" and therefore random selection is potentially disastrous to the injured worker, the majority of the Committee felt that random selection may be preferable to the selection of one specialist each by employer and claimant (with the two specialists selecting the chairman of the panel) because it precludes any suggestion that employers, who may have more frequent contact with the roster of specialists than do individual employees, choose doctors whom they perceive to be more sympathetic to employers' concerns.

In every other respect, a majority of the Committee members believe that the establishment of such medical review panels will go far towards resolving the contentious issues surrounding the role of doctors in the compensation process.

WHITE PAPER PROPOSAL 13 - CORPORATE BOARD

- A new Corporate Board with outside directors should be established..

COMMITTEE RECOMMENDATION

- A new Corporate Board should be established with an executive core and outside directors who are representative of labour, management, medicine, vocational rehabilitation, occupational health and safety, the economics of income maintenance and other relevant fields. Section 39(1) of the Draft Act should be amended to identify these fields from which the outside directors shall be chosen, without limiting the right to select persons from other areas of business or social expertise.

DISCUSSION

Under this proposal, and as specified in Sections 38 through 40 and in Section 43 of the Draft Act, a new Corporate Board with an executive core and a number of outside directors shall be constituted as the senior policy and management body for the WCB. In contrast to the provisions of the current Act (Sections 56 and 57), provision is made for the Corporate Board to include a number of outside directors on the model of the Board of Directors of a major public or private corporation.

In the Committee's discussion of this proposal, some concern was expressed that the independence of the Chairman of the Appeals Tribunal may be compromised by his position on the Corporate Board. In a manner similar to discussion of this matter under Proposal 11, a majority of Committee members felt that this provision was appropriate to ensure administrative efficiency in the operation of various bodies within the Workers' Compensation Board.

Another major point of discussion focused on the necessity of the Draft Act's specifying the fields of professional expertise from which the outside directors should be chosen by Cabinet. This specification was regarded as necessary in order to ensure that the Corporate Board can draw upon such professional expertise. As Professor Weiler states:

> I would like to see a variety of perspectives thus reflected in the membership of the Corporate Board: the points of view of labour, management, medicine, vocational rehabilitation, occupational health and safety, and the economics of income maintenance. (The presence of the Chairman of the Appeal Tribunal insures the presence of the legal angle.) It is important, though, that the number of outside directors be kept small enough to allow the Corporate Board to function as a cohesive deliberative body rather than as a primarily representative institution. It goes without saying that the principal criterion for selection of Board members should be their demonstrated experience with and understanding of compensation, not political patronage (either in the government or the private arena) (p. 30).

A number of alternatives to Board membership, other than the ones mentioned by Professor Weiler above, were also canvassed by the Committee, but were rejected. The suggestion, for example, that the OFL be represented on the Board was objected to on the grounds that this organization does not represent all workers in the province. The Committee concluded that s. 39(1) of the Draft Act should be amended to stipulate, as indicated above, the fields from which the outside directors should be chosen.

Finally, the Committee also endorses, as an improvement to the compensation system, the White Paper proposal that a new policy planning secretariat be attached to the Board, "to carry out empirical research and sustained policy analysis" (p. 42).

WHITE PAPER PROPOSAL 14 - WORKER ADVISER

- The office of the worker adviser should be expanded and made independent of the Board.

COMMITTEE RECOMMENDATION

- This office should be expanded, it should be decentralized across the province, and its independence from the Workers' Compensation Board should be affirmed by its transfer to the Ministry of Labour. The Committee also recommends that the adviser be available to assist workers in all aspects of their dealings with the Board and not just in connection with appeals.

DISCUSSION

The White Paper and Section 89 of the Draft Act provide for the establishment of the office of the worker adviser within the Ministry of Labour. The intention of this proposal is to expand the worker adviser function and guarantee the office's independence by locating it within the Ministry of Labour. At present, an office of the worker adviser does exist within the WCB's Toronto head office. Currently, the primary function of these advisers, who travel throughout the province, is to assist workers with appeals.

During its discussion of this proposal, the Committee agreed to the decentralization of the advisers. There was also some discussion as to whether the Committee should be more specific and recommend that the advisers be decentralized to major urban centres, Ministry of Labour regional offices, or WCB area offices. However, a majority of the Committee members felt that it would be appropriate for the Committee to support decentralization and for the Ministry of Labour to determine the specific nature of this decentralization.

On the question of ensuring the independence of the worker advisers, a majority of the Committee members felt that there would be adequate independence from the Board if this office were part of the Ministry of Labour. The Ministry will select, pay, supervise and provide office space for the advisers, with costs thereof made up by the WCB in accordance with Section 89 of the Draft Act. However, it is understood that they will operate out of a separate office within the offices of the Ministry of Labour. There was some discussion of housing the worker advisers within community legal clinics, which are funded through the Ministry of the Attorney General. However, it was felt by a majority of Committee members that an arrangement of this nature would remove the advisers from the appropriate administrative and organizational structure within the Ministry of Labour.

As regards the functioning of this office, there was also general agreement that the worker advisers should be available to assist workers in all aspects of their dealings with the Board and not just in connection with appeals.

WHITE PAPER PROPOSAL 15 - EMPLOYER ADVISER

- A new office of the employer adviser should be established, to be independent of the Board.

COMMITTEE RECOMMENDATION

- This office should be established and its independence from the Workers' Compensation Board should be affirmed by housing it within the Ministry of Labour. The Committee also recommends that this office be separate from the office of the employee adviser. The employer adviser should also be available to assist employers in all aspects of their dealings with the Board and not just with appeals.

DISCUSSION

The White Paper and Section 90 of the Draft Act provide for the establishment of the office of the employer adviser. At present, there is no formal employer adviser office within the Board; most employer enquiries regarding claims or appeals are handled by the Claims Administrative Services Branch. The Board's regional and area offices also handle employer enquiries in their local areas. In order to ensure independence from the WCB, this office should also be located in the Ministry of Labour. However, there was agreement among a majority of Committee members that it should be separate from the office of the worker adviser to ensure that the operations of these two offices, each serving distinct client groups, are in turn independent from each other.

During the Committee's discussion of this proposal, some concern was expressed as to whether this office was needed, on the grounds that employers usually have ample resources to present their interests before the Board. It was suggested that the WCB conduct a pilot project to assess the need before establishing this office. There was also some discussion regarding whether or not employer adviser services should be available only to smaller employers, again on the grounds that larger employers have ample experience and resources to deal with WCB matters.

However, a majority of the Committee members felt that the proposal as contained in the White Paper was appropriate and that no restrictions should be placed upon an employer's right of access to this office.

In order to ensure consistency with the functioning of the worker adviser office, there was also general agreement that employer advisers should be available to assist employers in all aspects of their dealings with the Board and not just in connection with appeals.

WHITE PAPER PROPOSAL 16 - ACCESS TO CLAIM RECORDS

- Full access to claim records should be made available to the employee and his representative; the employer and his representative will be granted access to those records deemed relevant by the Board in cases where the employer contests either an application for compensation or his accountability for costs.

COMMITTEE RECOMMENDATION

- This proposal should be adopted with the provision that the employer should be granted access to those records deemed relevant by the Board only with the knowledge of the employee. The Board would therefore be responsible for informing the employee or his representative as to what material had been made available to the employer. Any dispute regarding the Board's referral decision could be appealed to the appeal tribunal. The Committee also agrees that sensitive medical information shall be made available by the Board to the worker's doctor for release to the worker at the doctor's discretion.

DISCUSSION

Under this proposal, and as specified in Sections 65 and 80 of the Draft Workers' Compensation Act, a worker would be granted full access to the Board's file and records respecting his claim. In the case of employer access to records, the employer would be granted access to those records considered relevant by the Board. This proposal is very similar to current Board policy and practice regarding access to claim files.[12] Regarding employer access to records, the White Paper states:

> As a matter of equity and natural justice this full disclosure should be extended to the employer as well as the employee. To meet concerns about the violation of the confidentiality of private personal information, however, disclosure to employers will be limited to contested cases, and the Board will have the discretion to screen these requests to ensure that only material directly pertinent to the issue in dispute is disclosed. (p. 18)

However, with regard to medical information which might be potentially harmful to the worker, the Board would send such information to the worker's doctor and this information would be made known to the individual at the doctor's discretion. This procedure, for example, might be followed if, in the course of medical examination of the injured worker it was found that this worker was also suffering from a potentially fatal disease such as cancer.

During the discussion of this issue, it was proposed that since employee medical reports are confidential, the Board should not be able to independently make medical reports available to the employer and that the employee or his representative should be required to consent to the release of any medical information to the employer. It was also proposed that a formal procedure with a referee be set up to deal with cases where the employer disputes the material proposed for release by the Board. On balance, however, a majority of Committee members felt that the proposed system of access to claim records was fair and equitable.

Following discussion of these matters, this proposal was accepted by a majority of the Committee members with the modification that the employer would be granted access to those records deemed relevant by the Board only with the knowledge of the employee. This would ensure that the employee and his representative would be aware of what material had been made available to the employer. A majority of Committee members were also satisfied that, as provided for in Section 75(1), any dispute regarding a Board decision concerning an employer's right of access to material in a file would be eligible for appeal to the appeal tribunal as established in Proposal 11. There was also general agreement that the Board shall, as is done at present, refer sensitive medical information to the worker's physician for release to the employee at the discretion of his doctor.

WHITE PAPER PROPOSAL 17 - EXPERIENCE-RATING

- A mandatory experience-rating plan for individual employers should be established.

COMMITTEE RECOMMENDATION

- This proposal should be accepted in principle with the provision that the Workers' Compensation Board should develop a meaningful and detailed program for the implementation of experience-rating. The current penalties for the non-reporting of injuries should be reviewed, and amended as deemed appropriate, to ensure the effective operation of the experience-rating program.

DISCUSSION

Under this White Paper proposal, and as provided in Section 108(3) of the Draft Act, the WCB would be able to set up a system whereby employer compensation assessments are more directly related to a firm's actual accident and claims experience. The underlying rationale for this proposal is that experience-based assessments would act as a financial incentive for employers to improve the safety of their work place. Experience-rating is therefore a key feature of the reshaped workers' compensation system's design for the prevention of industrial accidents.

The present Workers' Compensation Act (Section 105(3)) allows for the adoption of a merit rating system; this provision has not been widely used. However, the White Paper envisages a substantial expansion of assessments based more directly on experience. Safety-conscious employers within an industry will face reduced assessments while employers with substantially worse accident records within the same industry will face substantially increased assessments. A minority opinion, derived from injured worker groups, was also put forward to the effect that those firms with consistently bad accident records should be faced with additional, stiff penalties or fines.

During the Committee discussion of this proposal, reservations were expressed by the minority to the effect that experience-rating would encourage employers, particularly in small plants, to under-report or not report accidents and, secondly, to the effect that there was no evidence that experience-rating would actually encourage employers to improve unsafe working conditions. In order to discourage non-reporting, a significant increase in fines for non-reporting of industrial accidents was also recommended. The Committee agrees that the penalty provisions for non-reporting of the current Act (Section 121(2) and Regulation 951-Section 13) should be reviewed, and amended as deemed appropriate, to ensure the effective operation of the experience-rating program. In addition, in order to assist in the proper reporting of accidents, the Committee also agreed that the employee, as a matter of course, should receive a copy of the accident report submitted by the employer to the WCB.

Following extensive discussion of these matters, a majority of Committee members felt that it was appropriate for this key feature of the White Paper to be accepted in principle. The understanding was that the Workers' Compensation Board would develop a suitably detailed experience-rating program to credit employers for improvements in their safety records while at the same time penalizing operations whose safety records do not improve or which remain substantially poorer than the industry average. Nonetheless, experience-rating would also have to be structured to recognize other factors in addition to accident frequency and cost-factors - such as average accident records and the occurrence of isolated serious accidents - to ensure that a firm would not face an unreasonably sharp increase in assessment. Finally, account would have to be taken of any difficulties connected with placing smaller firms on a pure experience-rating assessment base. A majority of Committee members, however, are confident that the Board can develop a fair and equitable experience-rating system to reflect these concerns.

WHITE PAPER PROPOSAL 18 - WORK DEEMED SUITABLE AND AVAILABLE

- A worker should accept available work deemed suitable by the Board, or lose equivalent compensation.

COMMITTEE RECOMMENDATION

- This proposal should be adopted with the provision that the legislation, and Section 21(5) of the Draft Act in particular, should contain the following definitions of suitable and available: "suitable" work should be work which the individual is physically capable of performing, for which the individual is qualified, and which does not place unrealistic demands on the worker and work should be considered to be "available" to the worker when the worker has actually been offered specific work that is suitable. In addition, Section 21(5) of the Act should be amended to read:

> Where it appears to the Board that a worker receiving compensation has refused to accept suitable available employment notwithstanding the injury, the Board shall consider the worker to have earned the average earnings payable from such employment in calculating the loss of earnings.

DISCUSSION

The concept of "deeming" able to work and earning income, as specified in Sections 21(5) and 47(2)(j) of the Draft Act, is a key feature of the proposed dual award compensation system and of the wage loss benefit provision in particular. This concept is also closely associated with the expanded statutory rights of re-employment for injured workers. If a worker refuses work that is regarded as being available and suitable, the Board could reduce wage loss benefits equivalent to what the worker could have earned if so employed. This provision is not comparable to practice under the current Act.

A major concern of the Committee in its discussion of this proposal was that acceptable and practical definitions of "suitable" and "available" be developed for insertion in the legislation in order to guide the Board in the administration of the proposal. The Committee recognizes that this proposal confers on the Board substantial discretionary power. In reaching a consensus on the following definitions, the Committee paid particular attention to representations from injured worker groups and to the definition of "suitable occupation" used by the Saskatchewan Workers' Compensation Board together with the overall objectives for a reshaped workers' compensation system for Ontario.[13]

Following extensive discussion, it was therefore agreed that "suitable" work should be: work which the individual is physically capable of performing; for which the individual is qualified; and which does not place unrealistic demands on the worker. Reasonable consideration should be taken to ensure that the worker does not risk re-injury or aggravation of the original condition in returning to work. For example, in applying this concept, the WCB should take into consideration the age and place of residence of the worker, accessibility to work and any special problems the worker may have. The Committee also agreed that the Board should make an assessment of suitable work only when the worker was fit and had either recovered from his injury or had received proper vocational rehabilitation. It was also agreed that work should be considered to be "available" to the worker when the worker has actually been offered specific work that is suitable to the worker.

On the basis of feelings expressed by injured workers at the hearings, the Committee recognizes that the term "deem" has, over the years acquired a pejorative connotation and therefore recommends that it be replaced by "consider" in Section 21(5) of the Draft Act so that this section would read:

> Where it appears to the Board that a worker receiving compensation has refused to accept suitable available employment notwithstanding the injury, the Board shall consider the worker to have earned the average earnings payable from such employment in calculating the loss of earnings.

WHITE PAPER PROPOSAL 19 - RIGHT OF REINSTATEMENT

- A worker should have the right to return to his old job, if he is able; and if he is no longer capable of performing that job, he should have a limited right to another suitable job in the same enterprise.

COMMITTEE RECOMMENDATION

- This White Paper proposal on the rights of reinstatement for injured workers should be adopted. Nonetheless, the Committee recognizes that the WCB may exercise discretion in applying this proposal to small employers. The Committee also recommends that the phrase "unless the collective agreement or arrangement is more generous to injured workers" be added to subsection 25(5) in order to allow individual collective agreements to be more generous in the reinstatement of injured workers.

DISCUSSION

Under this proposal, and as specified in detail in Section 25 of the Draft Act, injured workers, within a period of two years from the time of injury and where the worker had at least one year of service, would have a statutory right to re-employment. This proposal is closely related to the wage loss benefit provisions of both Professor Weiler and the White Paper. In both there is a strong emphasis on obtaining the re-employment of capable injured workers. The present Act contains no statutory provisions for their reinstatement.

In its discussion of this proposal, the Committee recognized that a statutory right to reinstatement was an important and worthwhile feature of a new compensation system. While there was overall agreement on this principle, there was extensive discussion over the specific criteria for reinstatement. Firstly, the Committee considered the two matters of the length of time after the injury and the length of service with the employer which would be used to establish an employee's statutory right to reinstatement. Among the alternatives discussed was a proposal to specify that the injured worker should have a proprietary right to his job. Thus, one of the Committee members felt that an injured worker's right of reinstatement should not be limited and that the word "limited" should be deleted from the White Paper recommendations. There was also extensive discussion of alternative time periods from one to two years after the injury, within which the worker would have the right of reinstatement. It was also proposed that the worker should have at least two years of service to qualify for the right of reinstatement.

Secondly, there was extensive discussion over whether the general reinstatement provisions should apply universally to all classes and sizes of employers. Among the alternatives discussed was a reinstatement provision to exempt small employers or to apply less stringent requirements to them. There was also related discussion on the definition of "small" or "large", based on the number of employees. Among the alternatives discussed were proposals to define small employers either as those with "10 or less" or "50 or less" employees. A majority of Committee members felt that the reinstatement provisions proposed in the Draft Act represent a reasonable set of criteria which could be used to provide injured workers with improved and specific reinstatement rights. In order to conform with the principle of this recommendation, the Committee was in general agreement with the "bumping provisions" as outlined in Section 25(4) of the Draft Act. Nonetheless, a majority of Committee members also recognized that it might not be practical, in all instances, to apply this proposal to small employers. In such instances the WCB should be able to exercise appropriate discretion. If disputes arise over the interpretation or application of the legislation, the Committee is confident that these matters will be resolved through the appeal process.

With regard to Section 25(5) of the Draft Act which specifies that the statutory reinstatement rights prevail over any collective agreement, the Committee can endorse this provision only if the collective agreement provided less generous reinstatement rights than the Draft Act provides. In such a case, reinstatement rights would be those established by the Draft Act. There was concern among the members that this subsection as drafted could override a more generous or comprehensive collective agreement or preclude management and labour from establishing more generous or comprehensive reinstatement rights for injured employees in future collective agreements. The Committee does not believe that such a result could have been intended by this subsection of the Act, which should set minimum reinstatement criteria. The Committee therefore recommends that the clause "unless the collective agreement is more generous to injured workers" or an equivalent should be added to Subsection 25(5) of the Draft Act.

WHITE PAPER PROPOSAL 20 - EMPLOYER RE-EMPLOYMENT RESPONSIBILITY

- An employer should offer re-employment to an injured worker if suitable work is deemed to be available by the Board, or face increased assessment costs.

COMMITTEE RECOMMENDATION

- Proposal 20 of the White Paper should be adopted, with the provision that the word "deemed" in this proposal be replaced by the word "considered".

DISCUSSION

Under this proposal, which is closely related to the previous one on reinstatement, an employer, who refused to reinstate an injured worker where suitable work was considered to be available would be subject to the provisions of Section 25(6) of the Draft Act, which provides that the employer shall be assessed for any additional wage loss paid out of the compensation fund. There is no similar provision in the current legislation.

The re-employment proposal is closely tied to the previous proposal regarding reinstatement and the Committee's discussion of it was therefore conducted in association with the previous one. Since the principle of reinstatement of injured workers was accepted by the Committee, the re-employment proposal was also accepted by the Committee. In addition, on the basis of feelings expressed by injured workers, the Committee recognizes that the word "deem" has acquired a pejorative connotation, as discussed earlier under Proposal 18, and recommends that the word "deemed" in Proposal 20 be replaced by the word "considered".

It was also proposed, as an additional penalty to employers who refuse to take back injured workers, that the worker receive 100 percent or complete wage loss and that this cost be applied to the employer under Section 25(6). A majority of Committee members, however, felt that the White Paper proposal represented a reasonable and innovative approach, which would strongly encourage employers to re-employ injured workers.

WHITE PAPER PROPOSAL 21 - EMPLOYMENT DISCRIMINATION

- Employment discrimination for seeking and/or receiving benefits under this Act should be prohibited.

COMMITTEE RECOMMENDATION

- The revised Workers' Compensation Act should mention that the remedies of the Human Rights Code are available for dealing with discrimination against injured workers in employment.

DISCUSSION

With regard to this proposal, the White Paper maintains that, since the Human Rights Code provides protection against such discrimination, the Draft Workers' Compensation Act need not contain specific clauses banning this kind of discrimination. However, in its discussion of this issue, the Committee agreed that the Draft Act, in the interests of consistency, should reiterate and make specific reference to the rights established under the Human Rights Code. This position also conforms with the view of Professor Weiler as follows:

> . . .I believe that the Workers' Compensation Act should contain an explicit prohibition against and an effective remedy for discrimination in employment simply because someone has been awarded workers' compensation benefits. I do not mean to suggest that it is illegitimate, a priori, for an employer to want to know whether an employee has been injured at work and/or is still suffering from a disability. But it is improper - and it should be illegal - to penalize an employee for having exercised his statutory right to file for compensation, or to refuse to hire an employee because he once received compensation benefits for an injury which either has left no disability, or, in any event, which cannot affect his performance on the job in question (p 64).

PART 2

WHITE PAPER PROPOSAL ON EXISTING CLAIMS

- First, no injured worker with an existing benefit or claim will be forced to transfer to the new system. Each such injured worker will be allowed to elect either (a) to continue to be dealt with under the existing Act, or (b) to have his situation appraised under the new Act. This choice will not have to be made at once but will remain available for the duration of existing claims. Those workers electing to remain under the old Act would not be eligible to have their pensions indexed for inflation.

- Second, those workers who were injured previously but who elect to transfer to the new Act will have their benefits recalculated on the basis of actual wage loss. Only such recalculated benefits will be eligible for annual adjustment to future inflation. The injured worker's actual wage loss will be compensated in the same way as if the injury were suffered and compensation awarded after the new Act came into effect, but the earnings ceiling applied to these prior injuries will be set at the historical level of approximately 125% of the average industrial wage.

- Third, no existing Workers' Compensation pensioner transferring to the new scheme will receive a lump-sum award. Only actual wage loss will be compensated.

- Fourth, dependent survivors receiving benefits under the existing Act will not be allowed to transfer to the jurisdiction of the new Act, due to the substantial differences in overall approach. They will however, be granted an annual adjustment to the existing Act's flat benefits on a basis consistent with the adjustments being made by Regulation for claims filed under the new Act.

- Fifth, the new appeals system will handle claims which predate it only in respect of decisions which must be made about benefits extended to claimants under the new Act.

COMMITTEE RECOMMENDATION

1. Existing pensioners would have the right to transfer to the new system within 3 years of the date of imposition of the new system or detailing of the options under Principle #5, whichever comes later. After the new Act comes into force, all new claims would be dealt with under the new system.

2. Whoever among existing pensioners chooses to transfer to the new Act would be compensated for wage loss, with the historical ceiling of 125 percent of the average industrial wage applied to such claims. On transfer, such claimants would not be eligible to receive the lump sum under the dual award system of Proposal 3. It should be understood that, on transfer, current monthly pension benefits cease forthwith.

3. Whoever among existing pensioners chooses to remain under the current monthly disability pension system would have benefits increased for inflation in conformity with the increases granted under Proposal 8.

4. Existing pensioners would have the right to elect to commute - i.e., convert to a lump-sum - their current monthly pension during the 3-year option period referred to under Principle #1. The value of such commutation should be determined on the basis of the monthly pension payable at the time of the exercise of this option. A discount rate of 7 percent would be used. Any recurrence in connection with these claims would be dealt with under the current Act.

5. Existing pensioners would receive a financial fact sheet from the Board providing general financial data on the options available with the coming into force of the new Act.

6. With regard to the treatment of dependent survivors receiving benefits under the existing Act, the Committee endorses the fourth principle of the White Paper proposal on this matter.

7. With regard to the application of the new appeals system to claims which predate the proposed Act, the Committee endorses the fifth principle of the White Paper proposal on this matter.

DISCUSSION

For the purposes of this discussion, "existing claims" means all claims with an accident date prior to the date of implementation of the proposed Act. "Existing pensioners" means workers who have an assessed permanent disability in an existing claim and who are entitled to a pension under the provisions of the existing Act.

In its discussion of this issue - which will have a profound impact upon the 77,814 WCB pensioners and upon dependent survivors - the Committee was concerned with establishing fair and equitable treatment. (Note: The pensioner figure is true as of December 31, 1982 and does not include survivor awards.) At the same time, the Committee was concerned with establishing a system that was practical from administrative and financial perspectives.

One of the general issues discussed was whether transition to the new system should be optional or mandatory for existing pensioners. Some Committee members, in the interests of consistency, advocated the mandatory transition of all non-retired current pensioners to the wage loss system. A majority of Committee members, however, were reluctant to adopt a position which would force injured workers into the wage loss system. In agreement with the proposal in the White Paper, a majority of the members therefore felt that existing injured pensioners should have the right to choose whether to stay in the current system or transfer to the new. However, the exercise of that right must be based on full disclosure made by the Board to the injured worker under principle 5 above and on evidence that the worker has had independent advice regarding the decision. It was also agreed that, once a worker had elected to transfer to the new system, there would be no right to return to the old system. A majority of Committee members therefore rejected the suggestion that the right of appeal should be available to people who transfer but later wish to return to the old system.

In addition, the Committee understands that WCB benefits would not be integrated with the CPP disability payments for existing pensioners who remain under the current pension system. However, those claimants who transfer to the wage loss system of the new Act would have their WCB and CPP benefits integrated in accordance with Proposal 4.

As regards the operation of this voluntary transfer system, discussion also focused on whether a time limit should be applied to the right of transfer. In order to allow the Board adequate time to handle transfer requests and allow injured workers adequate time to consider the impact of the new system, a specified time limit of three years was thought to be appropriate by the majority. Any individual transfer could then occur either within 3 years after the coming into force of the new Act or after the injured worker receives the financial fact sheet under principle #5 above, whichever date is the later. It was also agreed that, once a worker had elected to transfer to the new system, there would be no right to return to the old system. All recurrences, new claims, or appeals would be dealt with entirely under the new system.

Those claimants choosing to transfer to the new system would be compensated for actual wage loss; the historical ceiling of 125% of the average industrial wage would be applied to such payments. The Committee did consider the proposal that these claimants receive compensation based upon the same ceiling level as will be applied to new claimants. However, a majority of Committee members felt that it was reasonable to compensate existing claimants on the same basis as the historical level of the ceiling in relation to the AIW, which has normally been applied to WCB payments for existing claimants. This feature is in conformity with the White Paper proposal on this matter. Moreover, the Board does not have on record, in some cases in which a worker's earnings exceed the earnings ceiling, the original earnings base of the claimant. The Committee also understands that wage loss computation for an injured worker transferring to the wage loss system would be based upon the comparison of imputed escalated pre-accident gross earnings, with current earnings, if any.

Some Committee members also felt that, on transition to the new system, and in the interests of consistency, existing pensioners should, like new claimants, be eligible for a lump-sum payment. However, because existing pensioners would already have received a monthly periodic payment, a majority of Committee members agreed with the White Paper that this payment should be replaced by wage-loss-related benefits only and that the lump sum should be available only to new claimants.

Although a departure from the White Paper, there was unanimous agreement among Committee members that, in the interest of fairness and equity, existing pensioners who choose to remain under the current disability-related monthly payment should continue to have their benefits adjusted for inflation. Such increases have, in fact, become a regular feature of workers' compensation in Ontario. The Committee believes that these pensioners should receive the same percentage adjustments as established periodically for new claimants under Proposal 8 of the White Paper.

As an alternative to the above scheme for the voluntary transition of existing pensioners to the new system, a mandatory system for the transfer of all injured workers was proposed by some members of the Committee. Under this system, injured workers, upon transfer, would retain their current, unindexed disability-related monthly pension. In addition to this pension, these injured workers would be eligible for actual wage loss, with the amount of the monthly pension deducted from the wage loss, up to the statutory ceiling level. On retirement, in lieu of wage loss and due to the fact that these injured workers would not be eligible for retirement benefits under Section 24(1) of the Draft Act, the worker would receive his monthly pension escalated by the statutory adjustments for the period between the imposition of the new Act and retirement.

Under this proposal, all injured workers would be under the wage loss system, which is the major feature of the new compensation system. It was also argued that this scheme would simplify the transition for the Board. Under this proposal, the partially disabled worker who is unable to work and experiences hardship under the current system would now be eligible for the added protection of wage loss.

In the event of recurrence or complications, all workers would also be eligible for wage loss. There would be an added incentive for the Board to seek the rehabilitation and re-employment, where possible, of existing pensioners under the new compensation system. However, if these workers were not experiencing a wage loss, their benefits would be frozen. It was also maintained by some members that this system would be less expensive than indexing the benefits for current pensioners. Nonetheless, a majority of Committee members felt that a voluntary transition system along the lines of the White Paper was preferable and more equitable to existing pensioners.

The Committee also agreed that existing pensioners should be offered the right of commuting, - i.e., to converting to a lump-sum - their monthly pensions. There was discussion as to whether the discount rate to be applied to this commuted amount should be adjusted to either reflect inflation (a 2 1/2 percent discount rate) or to partially reflect inflation (a 3 to 4 percent discount rate). These discount rates would result in larger lump sum awards than would the continued use of a 7 percent discount rate, which allows no adjustment for future inflation. Full or partial adjustment for inflation would likely encourage commutation and have a greater financial impact on the Board's accident fund. A majority of Committee members felt that, in accordance with current Board practice, a 7 percent discount rate should be used in the commutation of existing pensions.

Since any decision to transfer to the new system or to commute an existing pension would have a significant financial impact on injured workers receiving pensions, the Committee agreed that the Board should provide general financial data - in the form of a fact sheet - on the options available. This information would assist existing pensioners in making a decision on the alternatives. A majority of Committee members, however, felt that it was important to recognize that the Board, due to possible legal ramifications, should not directly advise workers on which option to choose. It is understood that if a worker makes a decision on the basis of an inaccurate fact sheet, he or she has the right to make a new determination. Although they rejected the opinion that the fact sheet should be reviewed by a Committee of the Ontario Legislature prior to its distribution, a majority of Committee members agreed that it may be appropriate for the Board, once the new Act is proclaimed, to form a special team to provide information to existing pensioners on the implications of the new system.

The Committee also discussed the treatment of current dependent survivors when the new Act comes into force. A minority opinion was expressed that it was unfair to treat existing survivors and dependents differently than future survivors who would be eligible for the more generous benefits to be provided under White Paper proposal 7 - Fatal Accident Cases. A majority of the Committee members nevertheless, felt that it was fair and reasonable to endorse the fourth principle of the White Paper proposals on the treatment of existing dependent survivors. Due to the substantial differences in approach between the existing and proposed compensation systems, a majority of Committee members agreed that existing survivors and dependents should not be allowed to transfer to the jurisdiction of the new Act. Nonetheless, these claimants should continue to be granted an annual adjustment to their benefits on a basis consistent with the adjustments to be made by Regulation for claims under the new Act.

A majority of Committee members also endorsed the fifth principle of the White Paper proposals on existing claimants (as set out in Committee recommendation 7 above), which established that the new appeals system will handle claims which predate it only in respect of decisions which must be made about benefits extended to claimants under the new Act.

FINANCIAL MANAGEMENT, UNFUNDED LIABILITY, AND COST OF COMMITTEE PROPOSALS

COMMITTEE RECOMMENDATIONS

Unfunded Liability

- An immediate study should be conducted by the WCB to determine whether the unfunded liability should be reduced and, if so, by how much. This study should be based on the principle that WCB funding and the financing of the unfunded liability are the exclusive responsibilities of employers.

- The Government should appoint an outside committee, with broad representation from interest groups including labour and management, to make recommendations on appropriate methods of effecting any proposed reductions in the unfunded liability.

Cost of Committee Proposals

- The Committee is of the opinion that the Government must take into consideration the cost factors in Appendix E in developing new legislation and policy that will recognize and give effect to the recommendations of the Committee.

- The Government has an obligation to the injured workers and to the employers of Ontario to introduce at the earliest opportunity financially viable and financially achievable legislation supportive of the Committee recommendations.

DISCUSSION

During the course of its hearings, the Committee heard - primarily from industry representatives - concern expressed over the size and growth of the Board's unfunded liability. Specifically, there is concern over the impact upon assessment rates of this liability and over the general ability of the Board to meet all obligations to existing claimants. At the end of 1982 the Board's unfunded liability stood at $1.4 Billion and, according to estimates by the Board's Actuarial Services, this liability is expected to increase to $1.9 Billion for 1983.[14] Evidence presented by the Board's Actuarial Services has convinced a majority of the Committee that periodic adjustments to benefits, together with the recession, have increased the cost of compensation payments and have contributed to the increase in the unfunded liability. Although employment levels have fallen during the recession, the cost of compensation has increased because claimants are receiving benefits for a longer period of time as provided under the current Act. In addition, the payroll assessment bases for some high risk resource industries have fallen because of the downturn in the economy. The "Report on the WCB Unfunded Liability and the Impact on the Assessment Rates", prepared by the Board's Actuarial Services for the Committee in September 1983, also states:

> The assessment rates prior to 1981 made no allowance for the costs of future legislative amendments for inflation.
>
> Partly because of the economic recession, the increases in assessment rates were limited for 1981 through 1983 while the benefit expenses increased substantially. In order to bring the Income in line with the Expenses and to slow down the growth of the unfunded liability it will be necessary to substantially increase the assessment rates. (pp. 2 and 3)

During the discussion of this issue, the Committee reviewed alternative sources of revenue which might serve to reduce the unfunded liability. Nevertheless, there was general agreement that the funding of workers' compensation should remain the full responsibility of the employers of the province. The Committee is not prepared to recommend any use of general tax revenues from the Consolidated Revenue Fund.

Given the evidence before it, the Committee is not convinced that it has the expertise to decide whether the present level of liability threatens the integrity of the workers' compensation program in Ontario. Nonetheless, the Committee is concerned over the increase in the unfunded liability in recent years. Because the unfunded liability issue is an important one, the Committee believes it merits further study by the Board - particularly by senior actuarial staff - in order to determine whether the unfunded liability should be reduced, and, if so, to what extent. It may also be appropriate to examine the experiences of other major Canadian provinces in coping with this matter. In addition, the Committee accepts the suggestion of groups such as the Ontario Trucking Association and Ontario Mining Association that an outside committee be established, with broad representation, including both labour and management, to advise the government on appropriate methods of effecting any proposed reductions in the unfunded liability.

Through the course of its deliberations the Committee also gave consideration to the cost of the various proposals that were discussed. The Committee reviewed extensive costing data prepared on request by the Board's Actuarial Services. An actuarial estimate of the cost of the Committee proposals compared to the cost of the operation of the current Act appears in Appendix E. While cost considerations were taken into account throughout the Committee deliberations, reference must be made to the data in Appendix E to understand the total cost of the Committee proposals. Furthermore, a majority of Committee members were of the opinion that the Government must take the cost factors in Appendix E into consideration in developing new legislation and policy that will recognize and give effect to the recommendations of the Committee. The majority also believes that the Government has an obligation to the injured workers and to the employers of Ontario to introduce, at the earliest opportunity, financially viable and financially achievable legislation supportive of the Committee recommendations. The views of the minority can be found in the dissenting opinions attached to this report.

VOCATIONAL REHABILITATION

COMMITTEE RECOMMENDATION

- The Workers' Compensation Board should aggressively upgrade and broaden vocational rehabilitation services for injured workers so as to give appropriate effect to the provisions of section 36 of the Draft Act.

DISCUSSION

There was agreement among the members of the Committee that vocational (as opposed to medical) rehabilitation programs provided by the Board to injured workers are in need of strengthening. In the experience of some members, for example, it has been difficult to get a worker with a low percentage disability into programs established by the Board. Other members felt that the Board should also provide more educational programs for people with little formal education who are in need of rehabilitation, and should, to this end, work closely with the Ministry of Colleges and Universities. The opinion was expressed that courses that assist people with job-searching are not as effective as real vocational rehabilitation. Effective rehabilitation for spouses of fatal accident victims was also proposed.

The Committee examined in detail the provisions of s. 36 of the Draft Act and compared them with the section as drafted by the Association of Injured Workers' Groups (see Appendix F attached). Some members were of the opinion that s. 36 as drafted by the Association should be adopted by the Committee, with two exceptions - namely, s. 36(3) (which deals with industrial disease) and s. 36(4) (because the Committee has already established a definition for the term "suitable work") should be deleted. Subsection 36(5) as proposed, on the other hand, should be retained because it allows the Board to terminate attempts at rehabilitation when it becomes clear that rehabilitation cannot be effected. It was also proposed that the word "may" in subsection 36(2) be replaced by the word "shall".

A majority of Committee members concluded, however, on this matter of s. 36, that, whereas they endorsed the strong initiative represented by the draft legislation, specific changes in the wording should be dealt with when the bill is actually presented for consideration. At the same time, the Committee recognizes that improved rehabilitation services are a logical extension of its earlier recommendations regarding adoption of a wage loss system of compensation.

Finally, the Committee considered a number of other issues related to vocational rehabilitation. It was proposed, for example, that public sector employers develop affirmative action programs for injured workers and that the policy planning secretariat adopted under Proposal 13 of the White Paper address this matter of the placement of injured workers in the public sector. The Committee also considered a specific recommendation regarding the caseloads of vocational rehabilitation counsellors, since, it has been said, their caseloads tend to be too heavy. Other members wanted to see express provision made regarding the treatment by the Board of the older worker for whom rehabilitation is not very useful.

Without wishing to fetter the Board's discretion in these areas, the Committee expresses a continuing concern about the high caseload that vocational rehabilitation counsellors are required to shoulder and wishes to see steps taken to remedy this situation. Similarly, the Committee is aware of the particular problems of the injured worker nearing retirement and would like to see particular attention paid to these people, whom it is very difficult to rehabilitate.

DECENTRALIZATION

COMMITTEE RECOMMENDATION

- In light of the significant benefits that result from decentralization, the Workers' Compensation Board should, as soon as possible, implement a program of decentralization modelled on its London and Sudbury regional offices.

DISCUSSION

The Committee heard representations from a number of groups which believe that decentralization of the Board's functions would result in speedier and more sympathetic service to injured workers living outside Metropolitan Toronto. The Board itself presented the Committee with the results of an "Initial Evaluation of Regional Operations" at two pilot locations, these being Sudbury Regional Office (serving the districts of Sudbury, Algoma, and Manitoulin) and London Regional Office (serving the counties of Huron, Oxford, Middlesex, and Elgin). "Decentralization" in this context meant that the adjudication of accident claims went to the local office, (e.g., Sudbury or London), while a number of other functions - among them, policy and procedures development, appeals, the adjudication of industrial disease and dependency claims, pension evaluation - remained with head office.

The above study, dated April 16, 1982, evaluated the decentralization concept in light of the London and Sudbury pilot projects, using eight criteria:

1. Speed in claim processing will be improved.
2. Files will be more readily available and information complete in responding to enquiries.
3. Personalized service will improve by more public access.
4. Better familiarity with the injured worker and local work environment [will result].
5. Incoming mail together with the claim file will be available to the Claims Adjudicator more quickly.
6. An opportunity for close teamwork amongst Claims Adjudicators, Vocational Rehabilitation Counsellors, Medical Aid Adjudicators, and Regional Medical Advisors [will be presented].

7. Improved efficiency in terms of local rehabilitation referrals [will result].

8. Local investigations will begin sooner.

The study found that, after a full year of functioning, the anticipated eight benefits had been achieved in the two offices. The study further concluded that:

> The improved service, coupled with the Board's expanded presence in the community, has been well received. Continued positive comments from injured workers, employers, treating agencies, and elected representatives reinforce that the Board's services have been enhanced. (p. 3.)

The Committee is impressed by the Board's success with its pilot projects, which are now permanent regional operations. Although such administrative changes do involve added initial costs, the improvement in local service justifies them, in the Committee's opinion. Evidence before the Committee also indicated that the increase in regional office staff would, to an extent, be offset by reductions in head office staff. The Committee is, therefore, in unanimous agreement that this direction towards decentralization represents an important answer to some of the complaints that have been made against the Board by injured workers living outside Toronto. As the pilot projects have, no doubt, taught the Board a considerable amount about decentralization, and, as the Board reported, it takes approximately 1 year of lead time for decentralization, the Committee recommends that the Board continue with its program. The rate of progress of this program should not, in the Committee's view, depend upon the other changes that the Board will be making over the next few years as it introduces the wage loss system into the Ontario compensation scheme.

Nonetheless, the majority of Committee members are not prepared to go so far as to recommend actual sites for such decentralized offices, although Thunder Bay (for Northwest Ontario), Ottawa (for Eastern Ontario) Windsor (for Southwestern Ontario), and Hamilton (for the Niagara region) have been suggested. In this respect, the majority of the Committee are prepared to allow the Board to make its own decisions regarding the specific Ontario centres that would benefit from the presence of regional offices. Nonetheless, the Committee is confident that the Board will select its centres on the basis of the principle by which it decided upon Sudbury and London - namely, that regional offices should be located in areas which give rise to a significant number of claims.

BENEFIT TERMINATION/REDUCTION NOTICES

COMMITTEE RECOMMENDATION

- The Board's written notice informing an injured worker of a termination or reduction in benefits should explain the reasons for this decision and should also inform the worker of his right to submit additional pertinent information regarding the claim within 10 working days. This provision, however, should not be taken to mean that benefits should cover the entire 10-day period or whatever period of time the worker takes to submit such pertinent information.

DISCUSSION

The Committee's review of WCB administrative practices focused upon Board policy when notifying injured workers that their benefits are being terminated or reduced. This matter was raised by injured workers, such as the Association of Injured Workers' Groups, during their appearance before the Committee.

The Committee understands that the Board does inform injured workers in writing when benefits are being terminated or reduced. In some cases, however, the injured worker, because of medical complications, for example, feels that benefits should be continued despite the Board's notice. Cases of this nature often end up with Members of the Provincial Parliament. The Committee therefore believes that the notice letter from the Board should, as a matter of course, contain reasons for the termination or reduction. The notice should also inform the injured worker of his right to submit additional pertinent information so as to cause the Board to review its decision. A limit of 10 working days from the date of sending the original notice was felt necessary to allow the worker a reasonable period within which to respond. When such additional information is received, it is understood that the Board will then review the claim. The Committee believes that this procedure will serve to reduce the incidence of appeals of such decisions. However, the Committee understands that the case may still be appealed to the independent appeal tribunal under Proposal 11 at the request of either the worker or the employer.

In adopting this recommendation, a majority of Committee members did not want to see any extension of benefits past the 10-working day response period or until the worker had replied. In order to not result in an unwarranted extension of benefits or additional cost to the Board, it was agreed by a majority of Committee members that benefits would not be extended past the 7-day notice period currently observed by the Board.

SAFETY TRAINING AND ACCIDENT PREVENTION

COMMITTEE RECOMMENDATION

- The Workers' Compensation Board should continue to co-ordinate and to review the activities of existing safety associations with a view to improving existing safety training and accident prevention programs. In addition the safety associations should engage in discussions with St. John Ambulance and the Canadian Red Cross Society to assist in improving these programs.

DISCUSSION

In 1982, employer safety associations had a total budget of approximately $26 million, which is provided by the Workers' Compensation Board from money received from the employers of the province. From this budget the associations have produced media advertising dealing with the subject of workplace accidents and their prevention. Some Committee members took exception to these ads on the grounds that their message is that it is the workers of the province who are at fault when accidents occur. These members felt that, because of this perspective, the ads did not address the real nature of workplace accidents and were, therefore, a waste of money. It was felt that the Board could put this money to better use elsewhere, or, on the other hand, could provide labour groups with money to do their own advertising. A majority of Committee members, however, felt that the advertising does not place the blame for workplace accidents on workers and does accurately portray typical workplace problems. Moreover, the majority believes the campaign demonstrates the creditable work done by employers to reduce accidents.

The Committee members are also of the opinion that the Canadian Red Cross Society and St. John Ambulance made worthwhile recommendations in this area when they appeared before the Committee. Believing that these two groups can enhance the Board's programs, the Committee encourages the Board to continue its dialogue with the two groups with a view to further improving safety training and accident prevention.

RIGHT OF ACTION

COMMITTEE RECOMMENDATION

- The Draft Act should be amended so as to eliminate the possibility of an action in tort against an executive officer of a corporation.

DISCUSSION

The majority of the Committee was of the opinion that a right of action should not be an alternative available to a worker who is injured on the job. The Committee, in particular, addressed the matter of Beryl Bernice Berger v. Willowdale A.M.C. et al. ((1983), 41 O.R. (2d) 89) a case which held, at the Ontario Court of Appeal (leave to appeal to the Supreme Court of Canada denied), that The Workers' Compensation Act does not preclude an action against the executive officer of a corporation, since the definition of "employee" provided in s. 1(j) of the Act specifically excludes an executive officer. The Court of Appeal stated,

> Undoubtedly, the legislators thought that such a provision would encourage executive officers to consider the safety of their employees and to avoid the creation or maintenance of dangerous situations. The court should be reluctant to interfere with such a legislative policy.

In light of the above comment by the Court of Appeal, a majority of Committee members feel that legislative policy in this area should be clarified by amendment to the Act so as to eliminate the cause of action established by the Berger decision. The majority believes that this decision serves to undermine the concept of the compensation system as a replacement to the pursuing of a remedy in the courts. A minority view on the matter of the right of action appears in one of the dissenting opinions.

Footnotes

NOTE: These materials appear at the back of the report.

[1] "Tabular material on the impact of "90% of net" on the earnings of workers earning more than ceilings established at 175% of the AIW and 200% of the AIW." Prepared by Legislative Research Service, November, 1983.

[2] "Distribution of Workers' Compensation Board Lost Time Claims by Annual Wage of Claimants - 1982." Prepared by the Legislative Research Service, May 1983.

[3] U.S. Chamber of Commerce, Analysis of Workers' Compensation Laws 1983, Chart V.

[4] "Computation of expected average Assessment Rate with variation in levels of AIW-based income ceiling." Prepared by Actuarial Services, Workers' Compensation Board, July 12, 1983.

[5] Canadian Manufacturers' Association, Ontario Division, "A Submission to the Standing Committee on Resources Development Concerning Paul C. Weiler's Report "Reshaping Workers' Compensation for Ontario," and the Government White Paper on the Workers' Compensation Act." Presented May 4, 1983, p. 4.

[6] "Distribution of Duration of W.C.B. Compensation Claims." Prepared by Policy Planning Secretariat, Workers' Compensation Board, June 10, 1983.

[7] "Comparison of 90% of Net and 75% of Gross Income Computations - Ontario 1982." Prepared by Legislative Research Service, June, 1983, Table 7.

[8] "Combined Take-Home Pay by Weeks on Compensation." Prepared by Actuarial Services, Workers' Compensation Board, June 17, 1983.

[9] Analysis of Workers' Compensation Laws 1983, Chart V.

[10] "Report on the Cost of Fully Funding One Year's New Claims under the Current and Draft W.C.B. Acts." Actuarial Services, Workers' Compensation Board, July 4, 1983, Appendix A.

[11] "Report to the Standing Committee on Resources Development on Alternative proposals Arising from the Standing Committee Meetings." Prepared by Actuarial Services, Workers' Compensation Board, July 11, 1983, July 15, 1983 and September 2, 1983.

[12] Ontario, Worker's Compensation Board, Annual Report 1982, p. 11.

[13] "Information/Statistics on WCB "Deeming" and Wage Loss Computation in Saskatchewan." Prepared by the Legislative Research Service, July 1983; C.J. Stewart, Research and Information Officer to J. Richmond, Research Officer, 29 June 1983, Saskatchewan Workers' Compensation Board, Regina.

[14] "Report to the Standing Committee on Resources Development on the WCB Unfunded Liability and the Impact on the Assessment Rates". Prepared by Actuarial Services, Workers' Compensation Board, September 14, 1983, Table 2, Schedule 1.

LIBERAL DISSENTING OPINION ON WORKERS' COMPENSATION REFORM

Prepared by:

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INTRODUCTION

> The initial premise of workers' compensation remains valid. All workers should be guaranteed protection against loss of income due to occupational injuries irrespective of the incidence of fault. . .be it their own, their employer's or a fellow employee's. (pg. 14)
>
> Paul Weiler,
> Reshaping Workers' Compensation for Ontario,
> November 1980.

Through review of Professor Weiler's proposals, through study of a government White Paper, through months of hearings, and through weeks of detailed and complex deliberations, the Resources Development Committee has sought to create recommendations for the Government of Ontario that would give substance to that promise. Regrettably, in the end, faced with competing extremes, the Committee has chosen a middle ground, rejecting an ideal in favour of a partial attempt at bringing to fruition the bold words of Paul Weiler in his first report. It is an approach we cannot accept, and from which we dissent.

In the White Paper, three underlying principles for change were proposed:

1. The structure of benefits in the Act should compensate for actual income loss, as closely as is reasonably possible, in recognition of the fact that the statute denies workers the right to sue their employers for damages from occupational injuries.
2. The effectiveness and acceptability of the Board's internal decision-making procedure should be enhanced by providing for external review and participation.
3. Because compensation is at best a poor substitute for prevention, and only a temporary and partial alternative to re-employment, the Board's efforts in the areas of accident prevention and vocational rehabilitation should be expanded.

This dissent is written with these goals in mind. Our proposals will be outlined in detail, so that those reading this report can examine the package of suggestions we have made, compare them with the majority proposals, and reach a conclusion. To be sure, our ideas and ideals are tempered with the reality of the economic times from which we are only beginning to emerge. We have sought to demonstrate a sensitivity to those economic realities. No legislator, indeed no individual, would wish to devise a system whose impact would be to drive more businesses out of the province, or into bankruptcy. But at the same time, Professor Weiler's logic remains:

> It is illegitimate in principle to argue that the Workers' Compensation Board must tighten up on claims and cut back on benefits because its total budget is growing too large, too fast, for the economy to afford. . . .The only proper means of containing the bill for accident losses is to reduce the number of accidents themselves. (pg. 15)

The stark fact remains that there are too many industrial accidents in this province, too many occupational injuries, too many lives shattered. None of us can ignore our responsibility for the appalling statistics presented to the committee, and for the social and economic costs which grow out of those statistics. Business, labour and government, all must re-dedicate themselves to a safer workplace. The ultimate goal, in a sense, of our society must be to render the Workers' Compensation Board unnecessary, to put it out of business for lack of work. If that is our goal, we still have many, many miles to travel.

Finally, we would be less than fair, less than honest, if we did not admit that the majority recommendations represent a substantial improvement on the present system, if we did not concede that it will redress some of the inequities which have so charged this issue in years past. But, we could have done better; in our recommendations, which we commend to you, we offer an alternative package.

WHITE PAPER PROPOSAL 1. . .THE EARNINGS CEILING

. . .The ceiling for the calculation of covered earnings ($25,500 effective July 1, 1983) should be increased to 250% of the average industrial wage in Ontario (approximately $50,000).

DISSENTING RECOMMENDATIONS

. . .The ceiling for the calculation of covered earnings should be increased starting at 175% of the average industrial wage (AIW), and at 25% increments for four years, with complete removal of the ceiling in the 5th year.

. . .Other than White Paper Proposal 7 (Fatal Accident Cases) and treatment of existing claims, this recommended ceiling shall also be consistently used for the computation of other benefit levels or awards which are affected by this AIW-related earnings ceiling.

DISCUSSION

It is the view of the Liberal minority, that this proposal reaches to the heart of the principle of structuring benefits under the Act in such a way that those benefits provide, as closely as possible, for actual income loss. In his report, Professor Weiler indicated a nagging concern over complete removal of the ceiling, suggesting such a change would involve an exploration of "uncharted terrain in Canadian workers' compensation" (pg. 35). As a compromise, he placed a cap of 250% of the AIW on the benefit ceiling. We are not convinced that time has proven this cap to be necessary, and thus propose to remove it.

However, we are persuaded by the arguments of many business groups who appeared before the committee asking that any changes be phased in over a number of years. This proposal meets that objective, while remaining true to the principle that injured workers should be compensated for actual income loss.

We cannot accept the argument advanced in the majority report that since 96% of all injured workers will be "caught" by the new 175% ceiling, or 98% by the five year ceiling of 200%, that the principle espoused in Reshaping Workers' Compensation has been maintained. Injured workers are individual men and women who have suffered the tragedy of an occupational injury, one which could affect them the remainder of their lives. It is simply not just to argue that 2% or 4% of those workers should accept a compensation system which places a penalty on them because they earn too much money. As Professor Weiler stated:

> . . .We must respond to the practical problem of insuring that essentially all the earnings. . .of all the industrial workers in the province are protected by the same compensation legislation which takes away their right to sue in court to collect the remainder of any income losses they may have incurred. (pg. 35)

WHITE PAPER PROPOSAL 2. . .TEMPORARY COMPENSATION BENEFITS

. . .Temporary compensation benefits should be based on 90% of pre-injury net disposable earnings (instead of the present base of 75% of gross earnings).

DISSENTING RECOMMENDATION

. . .Temporary compensation benefits be based on 90% of pre-injury net disposable earnings during the first 90 days of injury. Thereafter, until the onset of pension and wage-loss, such benefits should be based on 100% of pre-injury net disposable earnings.

DISCUSSION

The Liberal minority is persuaded that an adjustment from a "gross earnings" to "net earnings" system represents a fairer method of payment of benefits. Such a change will be particularly helpful to lower and lower-middle income earners, and to those injured workers with families. While we are in substantial agreement, therefore, with the general thrust of the recommendation, we believe that one modification to the proposal is appropriate.

In his appearance before the Committee, Professor Weiler stated three reasons for not providing 100% of net earnings. The first was the comparative marginal and average tax rates, the second the impact of removal of work-related costs, the third the incentive to injured workers to return to their pre-accident employment.

We are persuaded that for the vast majority of injured workers no such financial incentive is needed. For a small minority of so-called malingerers, the differential between 90% and 100% will have little, if any impact.

We are, however, in agreement that in the early days of injury, the other two factors do indeed provide a savings, that the combination of the tax rates, and the work-related cost savings, together with 90% of net income will indeed provide full replacement of actual income loss.

After 90-days however, we believe that those two factors become less important. Indeed, the seven or eight percent of injured workers with severe injuries which require that they remain on compensation beyond 90-days are almost certain to find they are incurring some injury related costs, which will probably balance out any savings gained through their continued absence from work. As well, according to data provided to the committee, the impact of the tax advantage for injured workers becomes less pronounced after a period of time. Thus, given those facts, it seemed appropriate to propose an upward move to 100% of net disposable income for those workers whose injuries continue beyond the 90-day period.

WHITE PAPER PROPOSAL 3. . .THE DUAL AWARD SYSTEM

. . .A dual award system should be instituted for permanent disability: a lump sum to be paid according to the degree of impairment, and continuing periodic payments to be made only when wages are actually lost.

DISSENTING RECOMMENDATION

. . .A dual award system should be established containing the following components: a life-time monthly disability pension based on the percentage disability, applied to one-half of the indexed AIW; a wage-loss related periodic payment to make up 90% of the difference between the disability pension and the pre-accident earnings adjusted for inflation. These payments should not exceed net pre-accident earnings.

DISCUSSION

The dual award system proposed by Professor Weiler represented the cornerstone of his package for reshaping the workers' compensation system in Ontario. As a result, no one issue so dominated the discussions of the committee, and no one issue provoked more variations as the committee sought to reach a solution that would replace the notorious "meat chart". Indeed, Professor Weiler in his report put the matter very succinctly in rejecting the present system:

> . . .This central ingredient of workers' compensation has now totally lost any legitimacy which it might have every had. People no longer tolerate the inequities in individual cases which are produced by a system of average 'rough justice'. (pg. 53)

To be sure, the majority recommendation, which follows the direction of that proposed by Professor Weiler, will in our opinion, represent an improvement on the present system. But we believe our proposal goes a step further, and more truly and effectively reshapes workers' compensation. It also provides continuing protection for injured workers who have suffered through decades of distrusting the system's ability to respond appropriately to their needs.

The Liberal minority proposes to retain the dual award concept. However, we believe that the lump sum payment as proposed is inadequate recognition of the fact that the disability suffered by a worker is a life-time 24 hour a day reduction in his enjoyment of all facets of his existence. It does not end when the shift ends, it does not disappear on weekends or statutory holidays, it does not vanish when the worker retires.

In creating a new disability pension, the Liberal minority proposes to retain, for this purpose, the clinical disability rating, to apply it to a percentage of the AIW. For example, an injured worker with pre-injury net income of $16,000 with a 20% disability, would receive a yearly pension of $2,000 (assuming an AIW of $20,000). This pension would be indexed to changes in the AIW.

To this pension would be added a wage-loss factor, which would provide for 90% of the difference between pre-injury and post-injury earnings. Again, using the above example, the injured worker, returning to new employment with post-injury net income of $12,000, would receive 90% of the difference between his net pre-accident earnings ($16,000) and his net post-accident earnings ($12,000), less his disability pension ($2,000).

We are convinced that this system will provide a continuing incentive to employers to reduce accident rates, and to accept injured workers back in their employ where suitable work is available. The Board for its part, will continue to have a strong incentive to offer the widest range of vocational rehabilitation services to injured workers. We also strongly believe that such a system should be in place as soon as possible, but not later than January 1, 1986.

WHITE PAPER PROPOSAL 4. . ."STACKING" OF BENEFITS

. . ."Stacking" of benefits should be reduced by deducting CPP benefits in cases of permanent disability and survivor benefits from WCB benefits in cases of permanent disability and survivor awards.

DISSENTING RECOMMENDATION

. . .WCB benefits should continue to be considered separate and apart from CPP benefits.

DISCUSSION

This issue involves a number of complex judgments, and cannot be represented as a simply black and white matter. It cannot be stated, for example, that an injured worker has an absolute right to such "stacked" benefits. On the other hand, it equally cannot be stated that such "stacking" would provide for more than actual income loss, one of the fundamental principles of these reforms for reshaping workers' compensation.

Professor Weiler in his report reaches a questionable conclusion, in stating - ". . .the aim of public policy must be to integrate rather than pyramid two types of benefits. . . .In this fashion, we will achieve full compensation for disabled workers — but not over-compensation." (pg. 41)

But no evidence has yet been presented that "stacking" would indeed result in over-compensation. Professor Terence Ison, in his commentary on "Reshaping Workers' Compensation" prepared for the Ministry of Labour put the counter-argument succinctly:

> . . .It is important to bear in mind that disabilities of the severity that qualify for the C.P.P. disability benefit involve not merely a loss of earnings but also other opportunity costs and expenses of disablement. (pg. 36)

Apart from that argument against the over-compensation theory, there are two other reasons why this action should not be taken at the provincial level. It is, in the judgment of the Liberal minority of the committee, highly improper in the first instance, for a provincial authority to presume that it can fund a provincial program out of money collected under an Act of another jurisdiction. Notwithstanding earlier measures in Quebec and Saskatchewan, it would seem that, at a minimum, Ontario should ask the federal government for authority to use funds from another plan to pay for the benefits flowing from legislation to protect injured workers.

This is all the more important when one adds the second argument. The benefits paid by the WCB are all provided through assessments on the employers of Ontario, in that historic trade-off removing the right to sue. CPP benefits, on the other hand, are paid from funds provided by both employers and employees. Thus, by deducting from WCB benefits those benefits provided by CPP, the majority has effectively decided to make the change in the fundamental principle of funding source. It is, in the view of the Liberal minority, a change which quite properly should only be taken by the federal jurisdiction, after proper consultation with those providing funding for the CPP.

WHITE PAPER PROPOSAL 6. . .EMPLOYMENT BENEFITS

. . .The employer should maintain the worker's employment benefits (including private pensions) while the worker is on total disability benefits for a maximum of one year.

DISSENTING RECOMMENDATION

. . .The White Paper proposal on employment benefits should be adopted and that the WCB should develop policies on the exact benefits that should be covered past one year. Further, injured workers, returning to employment should be compensated in money or kind for any employment benefit loss.

DISCUSSION

The Liberal minority believes that the addition of fringe benefit protection for injured workers represents an important improvement in the overall compensation system in Ontario. Indeed, we are pleased that these benefits will be continued in some form for as long as they remain totally injured, temporarily or permanently.

However, it is the view of the Liberal minority that the original proposal, and the majority recommendation contain an extremely important omission. Injured workers will receive the protection of their former employer or the Board until the day they return to employment. If, for whatever reason, they return to work with a new employer, who offers less benefit coverage, no provision has been made to make up that loss.

We believe that situation should be rectified. In the first place, employment benefits are a form of income, and the entire rationale for the wage loss system is to compensate for actual income loss. If that is so, then it is reasonable to suggest that employment benefits, such as OHIP premiums, supplementary health care, dental care and the like should be covered. For a number of reasons, vacations, statutory holidays and leave of absence provisions are not proposed for coverage in this fringe benefit loss.

Secondly, the recipient of this new benefit would most likely be the most severely injured worker, the worker who has been most difficult to rehabilitate, and most difficult to place in new employment. Such fringe benefit loss protection will offer an additional psychological boost to a worker returning to employment with a new employer, often in a new field of work, and with strange new companions. It will not be a costly item, but the dividends in providing a positive incentive to these most unfortunate of all injured workers will be more than worth that added cost.

WHITE PAPER PROPOSAL 7. . .FATAL ACCIDENT CASES

. . .In new fatal accident cases, survivor and dependent awards should be decided according to a new formula: annually adjusted pensions calculated on the basis of the deceased's pre-accident earnings (rather than flat rates, as currently), the percentage of such awards to vary with the age of the spouse; a capital sum equal to 250% of the average industrial wage, adjusted for spouse's age, awarded to the spouse, such capital sum to be the sole compensation of spouses under 40 with no dependents.

DISSENTING RECOMMENDATION

. . .Proposal 7 of the White Paper should be adopted, in principle; however, the phase in of pension benefits for spouses with no dependents should commence at age 35; further the lump sum payable to all surviving spouses should increase by the addition of 2% for each year of age of the spouse over 25 years, and should be reduced by 2% for each year over age 35. Finally, payments under this proposal should continue even after remarriage or co-habitation.

DISCUSSION

The proposal made by Professor Weiler represented a major improvement over the disgraceful treatment of surviving spouses and dependents under the old Act. However, it was flawed in two areas, and the Liberal minority proposes to correct those mistakes.

We accept the principle of offering, in some cases where surviving spouses have no dependents, a capital sum of 250% of the AIW with no pension. However, in this instance, the capital sum should increase with age. Clearly, a surviving spouse of 25 will, on balance, experience less difficulty in redirecting his or her life than a surviving spouse of 35. Thus, it is proposed to have the adjustment move upward from the lower age, until a pension begins to be phased in at age 36.

Finally, we believe that the inclusion of Section 29(1) in the Draft Act represents a mistaken step into social policy. It is unfair that spousal benefits, which can only be obtained after co-habitation of five years, can be ended after co-habitation of one year, and it is ironic that benefits are cut off immediately on remarriage, but only after one year of co-habitation. The only fair method of ending such inconsistencies is to state that such benefits are payable without regard to any future marital status. To do otherwise must necessarily mean that the Board will intrude into the bedrooms of Ontario. Such an intrusion is not warranted.

WHITE PAPER PROPOSAL 8. . .ADJUSTMENTS FOR INFLATION

. . .Compensation benefit awards under the new Act should be reviewed annually by Cabinet for possible adjustments for inflation, such review to follow a public report by the Workers' Compensation Board, and any such adjustments to be made by regulation.

DISSENTING RECOMMENDATION

. . .Compensation benefit awards under the new Act should be adjusted annually for inflation by indexing such awards to the AIW.

DISCUSSION

It should be apparent by now that one issue which has angered injured workers over the years is the treatment of changes in compensation benefit awards. Professor Weiler caught that sense in his opening comments on the subject:

> It is long past time for Ontario to make an explicit judgment of policy about the problem of workers' compensation and inflation, and to develop legislative criteria and a procedure which will deal with the issue in a relatively principled and non-partisan fashion. (pg. 69)

The majority report fails that test. It confers on the Workers' Compensation Board the obligation to recommend an inflation adjustment annually, then provides that the Cabinet may modify or adopt this judgment. Such a policy will continue to direct suspicion at the Board, and to generate resentment that both the Board and politicians are compromising the legitimate right of injured workers to inflation adjustments.

The new system already provides benefit ceilings indexed to a percentage of the AIW. Why then, not tie awards to changes in the AIW? Then, injured workers too can share in the good times, but will be forced to tighten their belts in the bad. As Professor Weiler stated:

> The purpose of workers' compensation is to compensate disabled workers for the wages which they have lost from work, to provide redress for their inability to share in the real wage gains they would have achieved if they had remained actively employed. (pg. 74)

Automatic indexation to Ontario's AIW achieves that goal.

WHITE PAPER PROPOSAL 14. . .WORKER ADVISER

. . .The office of the worker adviser should be expanded and made independent of the Board.

DISSENTING RECOMMENDATION

. . .This office should be expanded, through funding of Community Legal Clinics in all centres which now contain Workers' Compensation Board area offices.

DISCUSSION

The Liberal minority believes that the majority recommendation, while offering a small measure of independence, falls well short of reinforcing what Professor Weiler termed "the perceived independence and legitimacy of the institution" (pg. 124) of worker adviser. We believe that the adviser must be an advocate of the injured worker, must be prepared not just to advise on the rights of the worker under the Act, but to fight for those rights when necessary. The changes proposed in the majority recommendation simply fall short of creating that "perceived independence" in the minds of injured workers.

In addition, the Liberal minority believes that it is inadequate to simply suggest that the office of Worker Adviser be decentralized. The government has every right to expect some specific direction; in proposing decentralization to every centre with a Workers' Compensation Board area office, we are pleased to provide that direction.

WHITE PAPER PROPOSAL 15. . .EMPLOYER ADVISER

. . .A new office of the employer adviser should be established, to be independent of the Board.

DISSENTING RECOMMENDATION

. . .The principles enunciated in the majority recommendation should be adopted. However, the employer adivsers should be available to assist only those employers with 50 or fewer employees in their dealings with the Board.

DISCUSSION

There was general agreement among the committee members that employers, particularly small employers would be well served by the office. It was the committee's view that the employer adviser could do much to remove some of the mistrust of the Board's operations expressed by this group. In addition, the Liberal minority is pleased with the decision to separate the offices of the employer and employee adviser.

However, we believe that it is essential that some limitation be placed on the size of companies qualified to use this service. We submit that 50 or fewer employees is an appropriate limitation that ensures that those small employers, for whom this proposal was intended, are not ignored as these advisers try to deal with cases raised by larger employers who have substantially greater ability to seek in-house or outside advice as they see fit.

WHITE PAPER PROPOSAL 20. . .EMPLOYER RE-EMPLOYMENT RESPONSIBILITY

. . .An employer should offer re-employment to an injured worker if suitable work is deemed to be available by the Board, or face increased assessment costs.

DISSENTING RECOMMENDATION

. . .This proposal should be adopted. In doing so, any such employer refusing re-employment should face increased assessment costs amounting to 100% of any wage loss suffered by the injured employee, plus the cost of any fringe benefit loss (in keeping with our dissenting view on Proposal 6). In addition, the word "deemed" in this proposal should be replaced by the word "considered".

DISCUSSION

At first blush, this proposal seemed one which could bring about unanimous agreement from members of the committee. However, on reflection, the Liberal minority is persuaded that in this one case any wage loss should be paid at 100% of net, rather than 90% as argued in all other circumstances. In addition, employers refusing to re-employ such workers would face the same costs for fringe benefit loss proposed earlier in this dissent.

There are three reasons for this seemingly harsh action. In the first instance, an injured worker, who is prepared to return to his former employment, or to some other suitable job with the same employer as provided in Proposal 19, should face no penalty when an employer capriciously rejects his return. Secondly, such employers do a disservice to the many conscientious employers of this province, who understand and accept that they have a responsibility to employ injured workers. Finally, this tiny group of employers who might be inclined to reject the responsibilities also present vocational rehabilitation with an added and unnecessary workload. Thus, it is proposed to make the assessment penalty to the employer a tougher one.

EXISTING CLAIMS

There is no final proposal in the White Paper, and no legislation in the Draft Act.

DISSENTING RECOMMENDATION

Existing claimants should be treated in the following way: present periodic disability pensions should continue to be paid until retirement with an annual inflation adjustment equal to one-half of the percentage change in the AIW. To that pension and post-accident earnings should be added any wage loss periodic payments, based on the injured worker's new imputed wage ceiling, (at a maximum of 125% of AIW); on retirement, present disability pension should be fully indexed from the time of introduction of this new system in accordance with the dissenting recommendation in Proposal 8; finally, this pension should be in lieu of any other retirement provisions of the new Act.

Existing claimants on total temporary benefits at the time of introduction of the new system come under the above proposal at the time they are rated for a permanent disability pension.

Existing claimants who are dependent survivors should be treated in the following way: surviving spouses should receive monthly compensation equal to 60% of the Average Industrial Wage reduced to assume net income; dependent children should receive 10% of this assumed net monthly income to a maximum of three dependent children; each dependent orphan should receive 15% of the assumed monthly net income.

DISCUSSION

The fact that Professor Weiler issued only a tentative proposal, that the White Paper did the same is testimony to the difficulty surrounding treatment of existing claimants. Clearly those claimants who have been so badly hurt by the present system must receive justice in any reshaped act.

We wish to acknowledge that the majority proposal holds the possibility of offering new benefit protection to these injured workers. Indeed, that proposal may be more generous than the one advised by the Liberal minority. However, our proposal contains new improvements with little or no risk to the 77,814 workers who now receive an average clinical disability rating of 18%.

The Liberal minority is convinced that injured workers will simply be faced with too many variables under the majority proposal, and that there is great danger of making the wrong choice. In addition, properly explaining these variables to every injured work places in front of the Board an almost insurmountable obstacle.

One example should suffice. An existing claimant, with a 50% rating, has returned to the pre-accident employer. Logic suggests he should accept the majority's indexed pension option since he has no wage loss. But, what will be the situation two, three or five years from now? If that injured worker, for any reason, suddenly cannot work, he has removed any opportunity to accept the majority's wage loss option which potentially could provide substantially better money than the monthly pension.

Our system solves that dilemma: it continues to provide that periodic payment, with some inflation adjustment. But should that worker suddenly find himself unable to work, wage loss would be added to the pension.

We are also convinced that to provide retirement benefits for existing claimants under the majority proposal presents the Board with an administrative nightmare, with no solution to protect injured workers. We believe that the fairest degree of protection can be offered by indexing pensions on retirement, by folding in all inflation increases in the years from the time the pension was set until that day.

The Liberal minority would be less than candid if it did not acknowledge in a forthright way two issues that injured workers and others may feel is unfair. The first is the lack of full inflation adjustment of the pension until retirement. Clearly, some existing claimants will not fare as well under this proposal as under that of the majority. However, it is our belief that the protection offered by the potential wage-loss for all existing claimants outweighs any possible loss of pension income.

Finally, there may be anger at the limitation of 125% of AIW for existing claimants stated in both majority and minority recommendations. The Liberal minority shares the view of the majority that a method of computing past gross wages for that 25%

to 30% of injured workers whose pre-accident earnings were over 125% of the AIW simply does not exist. In many cases, the Board does not have the pre-accident earnings. So whatever the merit of arguments in favour of moving existing claimants to the new benefit ceiling, the fact is that the Board has no method of computing ceilings for individual workers over 125%. We deeply regret this, but acknowledge the problem to be unsolvable.

The present treatment of dependent survivors of workers who suffer fatal work-related accidents is nothing short of shameful. The compensation provided to these dependent survivors often consigns them to a life at or near the poverty line. Our minority recommendation is designed to end that treatment. Dependent spouses under the existing system now receive a monthly income of $564. Under our proposal, that income would increase to a figure between $850 and $950 monthly. Dependent children would receive income in approximately the same range as at present, and the income of dependent orphans would rise by approximately $50 each month. These changes recognize that the existing system has been unfair to all claimants, but especially to those who have seen their lives and their dreams shattered by the tragedy of a fatality in the workplace. We believe that providing decent financial protection in such cases is the least that the Workers' Compensation system should offer. Finally, it should be noted that, since the number of existing dependent survivors is not large, the cost of the proposal is very modest.

COST OF COMMITTEE PROPOSALS

DISSENTING RECOMMENDATION

The government should provide the members of the Ontario Legislature, and all interested observers, with an actuarial cost estimate of legislative changes at the time they are tabled in the House for first reading.

DISCUSSION

The recommendation of the majority on the Committee makes little sense to us, and will be viewed with suspicion and distrust by injured workers who will find it to be an open invitation to the government to further water down the Committee recommendations. For our part, we view the Committee report as a minimum floor and we hope the government will adopt some of the recommendations of this minority dissent.

In any event, we believe it is extremely important that the government make available to all interested parties a cost estimate of its final legislative proposals. An estimate of the majority recommendations is contained in Appendix E of this report, and we welcome its inclusion. It is our view this pattern should be followed in the next step of this long legislative process, and thus urge the government to adopt our recommendations.

NDP DISSENTING OPINION ON WORKERS' COMPENSATION REFORM

by

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DECEMBER, 1983

A. INTRODUCTION

The workers' compensation system in Ontario is not working.

Discriminatory and inconsistent in its application, petty and inadequate in its coverage, clumsy and frustrating in its administration, workers' compensation has lost the faith and trust of the very people it should serve -- the injured workers of Ontario.

The Ontario government admitted the need for reform when, almost four years ago, it appointed Professor Paul Weiler to recommend changes in the system. Professor Weiler acknowledged the need for change when he entitled his first report Reshaping Workers' Compensation in Ontario.

The majority of the Standing Committee on Resources Development generally has endorsed the principles underlying Professor Weiler's report and the government's White Paper on the Workers' Compensation Act.

The NDP members of the committee, however, disagree fundamentally not only with many of the principles adopted by the committee, but also with the way those principles are translated into a reformed system of workers' compensation.

We believe injured workers, and the families of those who have died on the job, deserve a better deal than the majority report, Professor Weiler or the White Paper are willing to propose.

We issue this dissent because we believe there is a better, fairer way of compensating the disabled worker and family. We outline how our system would work in dissents to all but one of the committee's 21 recommendations. In addition, a more equitable means of dealing with existing claims is put forward.

First, however, we should say that Professor Weiler's report and the overall review process were unduly restrictive. While we welcomed a review and reform of the workers' compensation system, we never believed that legislative and administrative tinkering could resolve its fundamental problems. We remain convinced that these can be resolved only by a universal and comprehensive sickness, accident and disability insurance program. The NDP is firmly committed to a program which would provide compensation for both earners and non-earners, irrespective of fault and irrespective of the cause of the injury, illness or disability.

It defies logic to provide compensation for an injured worker if he or she is disabled at work, but to leave workers and their families entirely on their own if they are injured at home, on the street, or in an automobile. The physical incapacity is the same, the loss of earning ability is the same, the anguish of the family is the same, the need for rehabilitation is the same. Everything is the same, except for the compensation. Only if the worker is one of those privileged few who happens to be covered by private disability insurance will there be any compensation at all.

We begin from the premise that workers and their families should not be penalized when injuries or illnesses occur. Society must accept responsibility for the welfare of those who, because of injury, illness or other disability are not able to support themselves. This is a basic right, not charitable assistance. It is insurance against incapacity, not a frill to be cut back at government whim.

In short, the present system of workers' compensation is totally inadequate. Its adversarial nature, coupled with its exclusive focus on work-related disabilities, makes the system incapable of respecting even basic notions of social justice.

Thus, while we have made and will continue to make suggestions for change and reform of workers' compensation, we believe that only a universal and comprehensive sickness, accident and disability insurance program can provide the necessary protection which workers and their families deserve.

The necessary elements of a universal compensation program are:

- Compensation on a universal basis to injured persons both for permanent physical disability and for income losses, fully indexed to inflation and adjusted quarterly;
- Financing by the whole community, from a levy on employers, self-employed individuals, motor vehicle drivers and from general revenue;

- Compensation for those incapacitated by illness or other disability;
- Repeal of the Workers' Compensation Act and exclusion of private insurers from the field of accident, sickness and disability coverage;
- Provision of survivors' benefits to ensure continuing and adequate incomes for surviving dependents;
- Action to prevent accidents by promoting safer workplaces;
- Requirements that employers provide adequate employment and re-employment opportunities for disabled workers.

A just compensation system must provide for accident prevention, income maintenance and medical and vocational rehabilitation of sick, injured or disabled persons. The current workers' compensation system in Ontario fails on all three counts.

If there is one constant element in the history of the responses of business and government to the long-standing calls for reform of workers' compensation, it is the assertion that change is expensive, that the universally acknowledged need for reform must be balanced against the steep costs of fair compensation. Accident prevention, compensation of injured workers and medical and vocational rehabilitation are expensive, but they are the costs of doing business. The more attention employers give to accident and disease prevention, the lower will be the costs of compensation. The ultimate cost of workers' compensation is largely in the hands of Ontario's employers. If they feel the costs are too high, then they should invest more heavily in prevention.

In this regard, we should not be swayed by the frequent complaints of employers of skyrocketing assessment costs, nor should we regard as credible alarmist predictions about future rates. Information presented to Committee members by the Actuarial Services Branch of the Board indicates just how good a deal workers' compensation has been for Ontario employers.

This year's payroll weighted average assessment is within ten cents of the average rate since 1975.* Of what other cost of doing business can the same be said? Where else could employers have bought such cheap insurance?

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* Exhibit #154, "Report on the W.C.B. Unfunded Liability and the Impact on the Assessment Rates" prepared by the Board's Actuarial Services (September 14, 1983) in Table 1 estimates the 1983 "payroll weighted average assessment rate" to be $1.84 per $100 of payroll. The column of actual rates for 1975-83 yields an average rate of $1.75 per $100 of payroll.

As for future assessments, even the most expensive rate estimates provided by Board actuaries are less than twice the actual 1983 rate. And before anyone starts fulminating about a doubling of costs, they should not only look at the record of the last 10 years, but also note that Board forecasts traditionally err on the generous side. The Board's forecast assessment rates have been higher than actual rates for every year since 1977 (1976 and 1975 figures are unavailable from the Board).

What follows are our recommendations on the proposals before the Standing Committee, including our system for the treatment of existing claims. These proposals reflect four basic concerns: that Ontario's system of workers' compensation receive the reshaping everyone agrees it needs; that injured workers not be penalized financially or otherwise by the reforms; that the reformed system finally be worthy of the motto of the Ontario Board -- "justice, humanely and speedily rendered"; and that current efforts at reshaping the existing system not obscure the need for a comprehensive and universal sickness, accident and disability protection system in Ontario.

B. RECOMMENDATIONS

RECOMMENDATION #1 - THE EARNINGS CEILING

- There should be no earnings ceiling. All workers included under the legislation should be fully protected and should experience no financial penalty in case of compensable injury.

DISCUSSION

The Weiler Report, the White Paper and the majority of the Committee hold a self-contradictory position on the earnings ceiling. On the one hand, as the White Paper notes:

> The structure of benefits in the Act should compensate for actual income loss, as closely as is reasonably possible, in recognition of the fact that the statute denies workers the right to sue their employers for damages from occupational injuries. (p. 1.)

On the other hand, even though the surrendered right to sue in many cases would have resulted in larger awards than are possible under workers' compensation, excluding some workers from full income protection is somehow acceptable.

Why this contradiction is sustained is not clear. Proponents of the earnings ceiling must think that a relatively well-off worker can be eligible for compensation but not need or deserve it. This exclusion imposes a financial penalty on injured workers and we reject it.

According to information presented to the Committee, at a ceiling of 175 per cent of the Average Industrial Wage (AIW), 96 per cent of claimants' earnings would be fully covered and almost 98 per cent would be covered at a 200 per cent level. There is little financial reason for retaining an earnings ceiling.

Removing the ceiling would honour the trade-off of common law remedies for compensation by affirming the right to complete income replacement for all eligible workers.

RECOMMENDATION #2 - TEMPORARY COMPENSATION BENEFITS

- Temporary compensation benefits should be equal to 100 per cent of pre-injury net disposable earnings until the onset of permanent disability and wage-loss pension payments.

DISCUSSION

According to Professor Weiler, there are three reasons for not setting benefits at 100 per cent of pre-injury net earnings:

1. because of the interplay of marginal and average tax rates which results from the fact that WCB benefits are non-taxable, such a system would produce benefits higher than pre-injury earnings at least in the early weeks of a claim;
2. certain work-related costs are no longer present; and
3. there would be no financial incentive to return to work.

We reject the need for such a financial incentive and point out that the incentive effect of 10 per cent of pre-injury net earnings would be minimal in any event. Against the disappearance of work-related costs must be considered new, injury-related costs. In our view, it is important to protect workers from the hardship of these costs -- for transportation, nursing care, changes in the home and lifestyle changes. And, since 92 per cent of injured workers return to work within 90 days, the magnitude of some slight so-called "over-compensation" will not be great. Finally, no matter when an injured worker returns to work, we regard it as fundamental that there be compensation for 100 per cent of income lost. We agree with the OFL that "to be subjected to a cut in income due to a work-related disability is tantamount to paying a fine for being injured" (Exhibit #15, p. 2.).

RECOMMENDATION #3 - THE DUAL AWARD SYSTEM

- A dual award system should be instituted for permanent disability comprising (a) a lifetime pension, indexed to inflation and based on a revised clinical disability rating applied to the indexed AIW; and (b) a second lifetime pension, indexed to inflation to compensate for post-injury loss of earning capacity.

  In the case of the second pension, benefits must be adjusted not only for cost-of-living increases but also to recognize lost opportunities of normal career development or job progression. There is no justification for freezing an injured worker's income level without regard to the increases which will normally accrue to his or her peer group.

DISCUSSION

All participants in the review process agree that the dual award is the key to the Weiler proposals. Professor Weiler argued, correctly in our view, that it is irrational to try to combine in one award both occupational (income loss) and non-occupational (pain, suffering, loss of the amenities of life, etc.) losses. And yet, having made this point, the Weiler Report, the White Paper and the Committee majority proceed to re-combine them in various ways. The results are financial penalties to injured workers over 40 years of age and limits on wage loss replacement to 90 per cent of the difference between pre-injury and post-injury earnings.

In particular, the majority proposes to eliminate the existing permanent disability pension. As a public relations gimmick, it proposes that the lump sum award could be paid on an equivalent installment or monthly basis, but this is not the same thing.

The majority also recommends that only 90 per cent of actual wage loss be compensated. This is nothing more than an unjust tax on disabled workers and we reject it. Not only must 100 per cent of pre-injury earnings be the basis of compensation, we agree with the Association of Injured Workers' Groups that "all earnings of the injured worker should be included in the earnings basis, including part-time, casual, and other earnings. . .To do otherwise is to depart from the principle that all lost earnings should be compensated for" (Exhibit #94, p. 50).

We also reject the majority's proposed age-factor adjustment. Consider the case of a worker with a permanent hearing loss assessed at 20 per cent: the majority proposal treats that 20 per cent as 20 per cent only if the worker is exactly 40 years of age. By contrast, the dollar benefit receivable by a 50 year old worker in the same circumstances would be 20 per cent less. Same injury, same pre-injury earnings, same disability: why the difference in benefits?

Again, if rather than being 40, the injured worker was 35, his/her dollar benefits would be 10 per cent more than those of the 40 year old in identical circumstances. Everything is the same except the benefits that result.

In our view, compensation for injury should not be adjusted according to the age of the worker who has been hurt. What results from such a scheme is a discriminatory voodoo disability rating system.

Finally, the majority argues that the proposed system will improve the vocational rehabilitation services available to injured workers. The argument is that by improving its vocational rehabilitation services, the Board will reduce its wage loss payments. Thus, in essence, the majority is bribing the Board to offer vocational rehabilitation. This is outrageous. Under the existing legislation, the Board is not even required to provide vocational rehabilitation services. This must change. But in changing the current Act's s. 54 to accord with the *Draft Act* s. 36 so that vocational rehabilitation will be provided, we should have no illusions as to what we are getting.

In its November, 1982 report, the Select Committee on Company Law said the following about rehabilitation provided by the WCB:

> The Board has excellent facilities and in general it does a very good job of the medical aspects of rehabilitation. However, that is as far as it goes. In the Committee's view, it does an inadequate job of educational and vocational rehabilitation; does a poor job of many aspects of the re-employment of the disabled; and has a dismal record when it comes to matters relating to the psychological rehabilitation of the disabled. (5, pp. 299-300)

In addition to the Select Committee's observations, we are impressed by what the Canadian Union of Public Employees, Local 1750 (representing the employees of the WCB) had to say regarding the Board's rehabilitation services. The union's submission noted that "out of a total of about 415,000 claims in 1981, about 5,100 workers were referred for rehabilitation assistance." (1982 figures: 350,000 claims, 6,000 referred).*

Further as of April 1983, rehabilitation counsellors carried an average caseload of 90 injured workers. Staff morale was reported as low and a lack of innovative programs and numerous problems associated with management were pointed out. Most compelling, however, in a study conducted by the Union within the Rehabilitation Division, 91 per cent of the respondents replied that Board rehabilitation policy and procedure do not adequately respond to the needs of injured workers.

Our proposal recognizes these injustices in the majority position and the failings in the current compensation system, particularly in relation to vocational rehabilitation. First, we propose that an injured worker will receive a lifetime, clinical disability rating-related pension, fully indexed for inflation, to compensate for non-occupational losses (pain, suffering, loss of the amenities of life, etc.). Let's not forget that a permanently disabling injury has damaged the lives of the worker and his/her family and that its effects are permanent, 24 hours a day, 365 days a year.

Because it is based on a revised clinical rating, this pension will do away with the infamous "meat chart". A revised clinical rating system would assess functional impairment and place compensation for non-occupational factors for the first time on a just and rational basis. Thus, the first half of our proposal is that an injured worker would receive a lifetime pension in recognition of the permanency of his/her non-occupational losses, irrespective of actual loss of earnings.

This approach takes into account the many situations where permanent disability results but wage loss does not. An example is hearing loss. An injured worker who recovers sufficiently to return to work but who has a permanent hearing loss of, for example, 20 per cent would receive, under the majority proposal, no ongoing recognition of his or her loss, unless he or she had also suffered a drop in income. In our view, this is unjust, particularly since that worker has given up the right to sue the employer.

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* Submission by Canadian Union of Public Employees, Local 1750, "The Crisis in the Vocational Rehabilitation Division of the Workers' Compensation Board", June 3, 1983, pp. 1, 9 and Appendix p. 4.

We support maintaining the right to commutation of future pension benefits, but insist that, instead of a punitive seven per cent discount rate on future benefits favoured by the Committee majority and by the Board, the 2 - 2 1/2 per cent figure used by the courts be the applicable rate.

In addition to the permanent disability pension for non-occupational losses, we are proposing a second lifetime pension to compensate for injured workers' loss of earning capacity. This second, lifetime, indexed pension would deal with injured workers' occupational losses. It would compensate not only for wage loss at the time of re-entry into the labour force, but also for the effect on the future earnings of permanently disabled workers. This can be accomplished in a number of ways; the important point, however, is that we recognize both non-occupational and occupational losses as permanent factors in the lives of injured workers and compensate them accordingly.

In doing so, however, it is important that we not do what Professor Weiler and the majority have done with their wage-loss scheme. Weiler and the majority have embraced what the Association of Injured Workers' Groups correctly calls "an administrative nightmare". Consider the problems associated with the unemployment insurance program, and the ways in which administrative structures, bureaucratic requirements and official discretion frustrate and penalize unemployed people. Now add medical diagnosis, medical and non-medical rehabilitation and permanent disability to the mix and you see what the proposals of Professor Weiler and the majority will produce.

The basic problem with the wage-loss approach adopted by Weiler and the majority is that it establishes a process of life-long adjudication at the same time as we ought to be trying to set up basic entitlements and protecting injured workers against this sort of bureaucratic discretion. In addition, as Terence Ison points out in his report (Exhibit #122) a wage-loss approach of this type involves the Board on a continuing basis in the doctor-patient relationship and provides the maximum possible disincentive to vocational rehabilitation. Why should an injured worker work at a long and difficult process of rehabilitation if the result likely will be a reduction in his/her pension, on the assumption (deeming) that he/she is now capable of earning more than before rehabilitation began?

Our approach, by contrast, would compensate both non-occupational and occupational losses by means of permanent, indexed pensions, eliminating the "administrative nightmare" advocated by Weiler and the majority, providing a just and rational basis for injury compensation and placing vocational rehabilitation at the centre of the workers' compensation system where it belongs.

RECOMMENDATION #4 - "STACKING" OF BENEFITS

- **CPP disability and survivor benefits should have no bearing on WCB benefits.**

DISCUSSION

To be eligible for CPP disability benefits, an injured worker must satisfy an extremely stringent definition of "severe and prolonged" disability. In addition, the Canada Pension Plan is a contributory social insurance plan -- the right to benefits results from payment of premiums. In other words, eligibility for benefits under the CPP is neither automatic nor universal. Consequently, it simply does not follow that a disabled worker receiving benefits under the Ontario WCB will receive CPP benefits.

In addition, as Professor Terence Ison observes in his massive study for the Minister of Labour on the Weiler Report (Exhibit #144), most of what the Weiler Report says about benefit "stacking" is questionable or wrong.

> For example, the report states that ". . .the typically permanently disabled worker in Ontario receives two benefits, one stacked on top of the other". That is not so. Only a tiny minority of permanently disabled workers receive both benefits. Again, the report states that ". . .one hurdle to rationalizing workers' compensation for everyone has been recognition of the availability of this federal payment". Again, that is not so. The report concludes that ". . .the aim of public policy must be to integrate rather than to pyramid two types of benefits, whatever the criteria of each plan, whichever be the government that created it. In this fashion, we will achieve full compensation for disabled workers — but not over-compensation". The report contains no valid arguments in support of that conclusion, and the arguments against that view are not mentioned. (p. 35)

There are five issues here. First, no evidence has been presented that the so-called "stacking" of benefits results in "over-compensation", particularly since as Ison notes, "disabilities of the severity that qualify for the CPP disability benefit involve not merely a loss of earnings but also other opportunity costs and expenses of disablement." (p. 36)

Second, eliminating a currently eligible injured worker's right to both WCB and CPP benefits not only imposes a financial penalty on totally disabled workers but is also a transparent use of CPP funds to subsidize the costs of workers' compensation, at workers' expense.

Third, as Professor Ison argues, "even assuming a political judgment to deduct the CPP benefit, the report does not explain why it should be deducted from the WCB benefit, rather than being deducted from the wage rate on the claim. It would make no sense to deduct a taxable benefit from a non-taxable benefit" (p. 37).

Fourth, to argue that benefit "stacking" is an obstacle to a comprehensive compensation plan is not only false but a total red herring. Again, as Ison argues, this view reverses the appropriate order in which these matters should be considered. If universal and comprehensive sickness, accident and disability protection were instituted as New Democrats want, then "stacking" would cease to be an issue. But it is certainly not a problem now, particularly given the modest reforms at issue here.

Finally, there is a glaring inconsistency in the majority's treatment of benefit "stacking" when it comes to existing claims. The much-touted concern for so-called "over-compensation" turns out to be the smokescreen New Democratic members of the Committee thought it was. As detailed in the majority's proposal regarding existing claims, "WCB benefits would not be integrated with the CPP disability payments for existing pensioners who remain under the current pension system. However, those claimants who transfer to the wage loss system of the new Act would have their WCB and CPP benefits integrated in accordance with Proposal 4."

As the majority acknowledges, existing pensioners would be given the option of opting into the wage loss system or remaining under the current arrangements. The majority also acknowledges that there are more than 77,000 existing pensioners not counting those receiving survivor awards. The obvious question is: if the majority is prepared to see upwards of 75,000 pensioners' benefits not "de-stacked", then why should we see their proposal as anything more than an effort to make newly injured workers and those who opt in pay for cost cutting measures that will reduce their benefits?

RECOMMENDATION #5 - RETIREMENT INCOME LOSS BENEFITS

- There should be no change in benefits payable to injured workers at 65 or at any other retirement age. An injured worker's right to fully indexed disability and wage loss pensions as described under recommendation #3 is for life.

DISCUSSION

As was pointed out by the Association of Injured Workers' Groups (AIWG), the majority recommendation #5 stems from Professor Weiler's concern that injured workers not be "over-compensated". We share the view expressed by the AIWG that, if anything, the financial and other strains associated with permanent disability will increase with age. Because their disability is permanent, so should be the entitlement of injured workers to indexed pension benefits.

RECOMMENDATION #6 - EMPLOYMENT BENEFITS

- All of the employment-related, supplementary and fringe benefits of an injured worker (examples include seniority, employer-paid OHIP premiums, supplementary health care and dental plan contributions, UI, CPP and private pension plan contributions) should be maintained on his or her behalf for as long as the worker is on total disability benefits. The employer should maintain the benefits for the first year and the Board for as long after the year as the injured worker remains on total benefits. If an injured worker returns to work but for an employer who offers less benefit coverage than the previous employer, the worker should be compensated for the loss.

DISCUSSION

While we agree with the principle of the majority proposal, we reject a one-year limit on the maintenance of employment benefits as an unwarranted diminution of this entitlement. Injured workers should retain all of their employment-related benefits for as long as they receive total disability payments.

RECOMMENDATION #7 - FATAL ACCIDENT CASES

- In fatal accident cases, survivor and dependent awards should be set at 100 per cent of the worker's pre-accident earnings, fully indexed for inflation, and adjusted for lost future earnings development as described under Recommendation #3. There should be no age-factor adjustment, no differential treatment for surviving spouses of varying ages and no deduction of CPP survivor awards from the benefits to be paid either to spouses, children or other eligible dependents. In particular, compensation is not to be affected by the surviving spouse's remarriage, cohabitation, employment or retirement.

DISCUSSION

In our view, provision for surviving spouses, children and other dependents is basic. Compensation should be equal to what the dead worker would have received not only had he or she lived, but also had his or her earnings followed a normal worklife development pattern. There should be no penalty for those bereaved by the death of a worker and in particular no penalty for spouses under 40 or for those eligible for survivors' benefits under the CPP.

The majority proposal includes what superficially is an attractive component in its provision for a lump-sum payment and an earnings-related pension. However, there are a number of injustices built into the majority proposal.

First, the lump-sum payment would be the sole entitlement of a surviving spouse who is less than 40 years old. Why? Under this proposal, a spouse married 20 years and aged 39 would get no pension, but a remarried spouse in his or her 50s would get one, regardless of the length of the marriage. We believe it is fairer to provide an earnings-related pension for all surviving spouses.

Second, under the majority proposal the earnings-related pension would be further adjusted according to the age of the surviving spouse. This is also unjust. The loss to the family is the same, the pain of the bereavement is the same and the only significant factor, in our view, ought to be the fact of being a surviving spouse.

Finally, the majority's lump-sum payment and pension proposal is less generous to surviving dependents than is our proposal for a lifetime, indexed pension based on 100 per cent of pre-accident earnings. The maximum lump-sum payment possible under the majority proposal is 250 per cent of the AIW or currently about $50,000. But the maximum pension available to single spouses (and not automatically as we've seen) would be 75 per cent of pre-accident earnings subject to the earnings ceiling proposed by the majority under Recommendation #1 (White Paper, p. 25). If their plan were instituted today, the maximum pension would be about $26,000 a year.

While we agree that not many of the workers who suffer fatal accidents earn more than this, some no doubt do. And, in addition, this figure is the maximum award possible under the majority proposal, before the various exclusions, adjustments, deductions and penalties are subtracted. How far will the lump-sum payment carry a widow once she starts seeing that 25 per cent shortfall widen?

Accordingly, we believe that a lifetime, indexed pension equal to 100 per cent of pre-death earnings adjusted for the lifetime earnings growth which is foregone is not only fairer, but more generous and more in keeping with the basic aims of workers' compensation.

RECOMMENDATION #8 - ADJUSTMENTS FOR INFLATION

- The Act should include provision for full indexing to inflation, such adjustments to be made according to changes in the Consumer Price Index and to be made at least quarterly and by regulation. In addition, pension levels must be adjusted not only for cost-of-living increases but also to recognize lost opportunities of normal career development or job progression. There is no justification for freezing an injured worker's income level without regard to the normal anticipated increases which will accrue to his or her peer group.

DISCUSSION

Professor Weiler, the White Paper and the Committee majority talk a good line but it's all fog: they are not willing to protect injured workers against the ravages of inflation.

Our position is very simple. If an injured worker is entitled to a $300 a month pension and prices go up by 10 per cent, then without anything changing the worker is entitled to an adjusted pension of $330 a month.

The majority simply refuses to commit the Government to just treatment of injured workers when it comes to inflation.

RECOMMENDATION #9 - ONE DAY WAITING PERIOD

- No dissent from majority recommendation.

RECOMMENDATION #10 - COVERAGE OF DOMESTICS

- WCB coverage should be extended to full-time domestic workers employed by a single employer and, if possible, to part-time workers in the same situation.

DISCUSSION

While we agree with the principle of the majority recommendation and welcome the partial inclusion of domestic workers so unfairly excluded in the past, we are not satisfied that "administrative difficulties" account for the majority's proposal to exclude all but full-time, single-employer domestic workers. In our view, part-time domestic workers with a single employer could easily be included. We call on the Ministry of Labour and the WCB to investigate and report on means by which so-called domestic "day-workers" could be included in the future.

RECOMMENDATION #11 - INDEPENDENT TRIBUNAL

- An independent tripartite appeals tribunal should be established. Membership on the tribunal and on panels established under it (Draft Act, s. 52(1)(c), 55(2), 57(1)) should include representatives of employers and employees (labour and/or injured workers' groups). References to one-person appeals tribunals (Draft Act, s. 55(2), 57(1)(a)) should be deleted. The chairman of the appeals tribunal should not be a member of the Corporate Board provided for under recommendation #13.

DISCUSSION

We support the establishment of an independent appeals tribunal, but a number of changes have to be made in the majority proposal if the tribunal's independence and representativeness are to be guaranteed. The tribunal must not just be independent and representative, but it must also be seen to be so. Thus, we recommend that no one-person panels be permitted, that the chairman of the appeals tribunal not be a member of the new Corporate Board and that representation of injured workers be extended to include injured workers' groups as well as labour.

RECOMMENDATION #12 - MEDICAL REVIEW PANELS

- Independent medical review panels, each consisting of three specialists, should be established to deal with appeals which turn on specifically medical matters. Injured workers should be allowed to select one of the three specialists and, in addition, the medical review panel must be required to consult the injured worker's family doctor.

DISCUSSION

We support the creation of independent medical review panels, but we part company with the majority on how each panel should be selected. We do not agree with a random selection of panel members. Injured workers must be allowed to select one of the three specialists who will sit in judgement on his or her future well-being. If the injured worker is allowed to select one of the specialists, then at least the worker will feel that his or her view has been heard. In addition, the medical review panel must be required to consult the injured worker's family doctor.

RECOMMENDATION #13 - CORPORATE BOARD

- A new Corporate Board should be established with an executive core and outside directors representative of labour, management, medicine, vocational rehabilitation, occupational health and safety and other fields of expertise relevant to the needs of injured workers. The Draft Act should specify these fields. As already noted under Recommendation #11, the chairman of the appeals tribunal should be excluded from membership on the Corporate Board.

DISCUSSION

We support the principle of a new Corporate Board and especially welcome the majority's acceptance of Professor Weiler's proposal that "the principal criterion for selection of Board members should be their demonstrated experience with and understanding of compensation, not political patronage" (p. 130). As previously noted, to preserve the independence of the appeals tribunal its chairman should not be a member of the Corporate Board.

RECOMMENDATION #14 - WORKER ADVISER

- The role currently played by worker advisers should be expanded and made independent of the WCB and the Ministry of Labour. This should be done by making more money available to community legal clinics in all centres which now have WCB area offices. Funds from the Board should be provided through the Ministry of the Attorney General, the Ministry of Labour, or some other means to increase the clinics' ability to provide legal services to injured workers. Where clinics already exist, the money should be provided to those clinics so as to not detract from already inadequate funding by the Ministry of the Attorney General. As well, injured workers must be eligible for assistance in all aspects of their dealings with the Board, not only appeals. This includes the involvement of worker advisers/community legal workers prior to a decision of the WCB Claims Review Branch.

DISCUSSION

While we support expanded roles for worker advisers, advisers must be more independent. If they are directly employed by the WCB or the Ministry of Labour, we are concerned that they will not feel comfortable in the advocacy role vital to their effectiveness.

Therefore, we propose that worker advisers be community legal clinic workers. The advantages of this approach over those taken by the Weiler Report, the White Paper and the majority are clear. In particular, we are impressed by the submissions on this point by the Halton Hills Community Legal Clinic, McQuesten Legal and Community Services, Niagara North Community Legal Services and Waterloo Region Community Legal Services. (Submission #88)

RECOMMENDATION #15 - EMPLOYER ADIVSER

- A new office of the employer adviser should be established, independent of the Board and housed within the Ministry of Labour. This office should be available to assist employers in all aspects of their dealings with the Board, but should be limited to providing assistance to employers with 20 or fewer employees.

DISCUSSION

We support the principle of an employer adviser office, but feel that it should be limited in providing assistance to those employers with 20 or fewer employees. In our view, larger employers are well equipped to obtain either in-house or external advice and are more likely to be experienced in such matters. As well, there is an important precedent for this criterion of employer size. Under the Occupational Health and Safety Act, firm size of 20 employees is the threshold above which joint health and safety committees must be established.

RECOMMENDATION #16 - ACCESS TO CLAIM RECORDS

- Full access to claim records will be made available to the employee and his representative whether or not a disputable issue exists as provided in Draft s. 65(1). As provided below, the employer and his representative may be granted access to those records deemed relevant by the Board in cases where the employer contests either an application for compensation or his accountability for costs. However, this can take place only with the knowledge of the employee and the proposal to release information can be appealed to the Appeals Tribunal prior to material being released. Very sensitive medical information which might be harmful to the worker (for example, the diagnosis of a serious psychiatric problem or the discovery of a non-work related terminal disease) will be made available by the Board to the worker's doctor.

DISCUSSION

These proposals are fundamental to a claim procedure that is fair to injured workers and sensitive to the confidentiality of medical and other employee records. We reject limitations on injured workers' right to information about themselves which forms the basis for the adjudication of their claims. We are persuaded that certain very sensitive medical information might be harmful if released directly to the worker, but think that the exercise of discretion on this point properly belongs with the worker's doctor rather than the Board. Accordingly, we suggest a change in wording which would provide that such information will be made available by the Board to the worker's doctor, rather than may.

RECOMMENDATION #17 - EXPERIENCE RATING

- We are opposed to a mandatory experience-rating plan for individual employers. In addition to retaining the existing assessment system, there should be a significant increase in fines for non-reporting of industrial accidents.

DISCUSSION

We oppose mandatory experience-rating for employers. Already there are 27 rating classes and 108 rate groups that divide employers for assessment rate purposes. We are concerned that if individual experience-rating is established, some employers will be motivated to cover up or under-report accidents, or will fail to report them altogether. In addition, there is no evidence to suggest that experience rating actually encourages employers to improve unsafe workplaces. Firms must continue to apply pressure on each other to clean up the workplace. Government's role should be to legislate and better enforce a strengthened Occupational Health and Safety Act.

RECOMMENDATION #18 - WORK DEEMED SUITABLE AND AVAILABLE

- A worker should accept available work considered suitable by the Board, or lose equivalent compensation. The legislation, and Draft s. 21(5) in particular, should contain the following definitions of "suitable" and "available". "Suitable" work should be work which the individual is physically capable of performing, for which the individual is qualified, and which does not place unrealistic demands on the worker. Work should be considered to be "available" to the worker when the worker has actually been offered specific work that is suitable. S. 21(5) of the Draft Act should be amended to read ". . .the Board shall consider the worker to have earned the average earnings payable from such employment. . . ."

  In addition, a geographic limitation must be included so that workers are not penalized for not accepting "available and suitable work" which would involve moving their household or excessive travel to and from work.

DISCUSSION

In addition to these safeguards, the Board should be cautioned that its concern over the need for "deeming" should not distract it from the more urgent necessity of making vocational rehabilitation the foundation of its re-employment efforts. In particular, we commend to the Board's attention "Section A: Rehabilitation" of the submission of the Association of Injured Workers' Groups (Exhibit #94, pp. 4-12).

RECOMMENDATION #19 - RIGHT TO REINSTATEMENT

- A worker should have the right to return to his old job, if he or she is able; and if no longer capable of performing that job, he or she should have a right to another suitable job in the same enterprise. The phrase "unless the collective agreement or arrangement is more generous to injured workers" should be added to Draft subsection 25(5) in order to allow individual collective agreements to be more generous in the reinstatement of injured workers. In addition, subsection 25(4)(a) should be amended to change "ten years of service" to read "one year or more of service".

DISCUSSION

We disagree with the majority on two points. First, we reject the notion that an injured worker should have a "limited right" to suitable re-employment if he cannot perform his old job. The Committee majority was unable to demonstrate a "limited right" and we suspect no one else could either. In addition, we feel that s. 25(4)(a) of the Draft Act should be changed because it requires ten years' experience for one variety of reinstatement whereas all other kinds require only one year or more.

RECOMMENDATION #20 - EMPLOYER RE-EMPLOYMENT RESPONSIBILITY

- If an employer fails to honour the obligation to reinstate an injured worker discussed above under recommendation #19 and as provided by Draft Act s. 25, then as provided in Draft Act s. 25(6), the Board shall assess the employer for wage loss to the employee payable out of the compensation fund. Wage loss is to be calculated in a manner consistent with our proposals under recommendations #1, 2, 3, 6, and 8.

DISCUSSION

This recommendation ensures that employers will pay directly for refusal to honour an injured worker's right to reinstatement.

RECOMMENDATION #21 - EMPLOYMENT DISCRIMINATION

- Employment discrimination as a result of workplace injury, or seeking and/or receiving benefits under the Act is particularly offensive, and must be explicitly prohibited. The revised Act should mention that the remedies of the Ontario Human Rights Code are available for dealing with discrimination against injured workers in employment. In addition, however, it should provide stiff penalties for such discrimination.

DISCUSSION

The White Paper, the Draft Act and the Committee majority do not deal adequately with the issue of job security for injured workers. It is well known that lack of job security and employment discrimination are serious problems under the current hands-off policy of the government.

Many of the submissions received by the Committee pointed to the lack of protection for workers, not only when they seek benefits but even immediately after they are injured. In many instances, workers have suffered disabling injuries, and then are fired! We urge that the government act on Professor Weiler's position:

> I believe that the Workers' Compensation Act should contain an explicit prohibition against and an effective remedy for discrimination . . . it is improper -- and should be illegal -- to penalize an employee for having exercised his statutory right. (p. 64)

EXISTING CLAIMS

It is strange that there is no final proposal regarding existing claims in the White Paper and that there is no provision for their treatment in the Draft Act. This is a crucial issue in the reform of the workers' compensation system and specific provision for the treatment of existing claims should be included in the draft legislation.

The treatment of existing claims is a key area for one fundamental reason: as the current system is rid of the penalties and injustices it imposed on injured workers, we are obliged not to forsake those whose hardship and suffering alerted us to the system's inadquacies in the first place. (As of December 31, 1982, there were more than 77,000 pension recipients, not counting those receiving survivor pensions.)

The government's failure to address the plight of these people in its White Paper or draft legislation speaks eloquently of the depth of its concern for the unjust treatment of injured workers today.

Compounding this sin of omission, however, are the proposals advanced by the majority regarding the treatment of existing claimants.

First, existing claimants will have 3 years in which to opt for either the new system or the old. But it's nothing more than "damned if you do, and damned if you don't".

If injured workers currently receiving benefits opt in, they will lose their permanent pension. Their benefits will be recalculated as if their injuries had occurred after the new Act came into effect. This means, however, that their existing monthly pensions would stop; benefits would be paid only where demonstrable wage loss exists. Where a benefit nonetheless will result, the majority in addition proposes that the earnings ceiling for these opted-in workers be 125 per cent of the AIW instead of the higher rate that will apply to everyone else. (Committee Recommendation #1).

As we have made clear already, we are opposed to an earnings ceiling because it is an arbitrary exclusion of some workers from the protection extended to them under the Act. However, whether one supports a ceiling or not, this proposal clearly imposes a harsh penalty on injured workers opting into the new system.

Second, an injured worker transferring to the new regime will not be eligible for a lump-sum award, but only for wage loss benefits. As we have made clear, we think a system based on lifetime, indexed disability and wage loss pensions is a fairer approach to permanent disability compensation than the Weiler dual award scheme. But even so, the proposal to exclude injured workers who opt in from lump-sum awards is another harsh penalty.

Third, dependent survivors will not be allowed to opt in. Dependent survivors will have to be content with the old system. In other words, they will be denied the improved benefits available to dependent survivors who lose the family breadwinner after the new system is introduced. As a sop to the Tory conscience, however, they will be eligible for "annual review" and possible (but not automatic) inflation adjustment as the government majority has proposed under Recommendation #8. Our position, of course, is that all benefits -- for injured workers and for dependent survivors -- should be automatically and fully adjusted for inflation on a quarterly basis.

Fourth, as already pointed out in our discussion of White Paper proposal #4, the majority is suggesting that injured workers who opt in will have their benefits reduced by the amount of any CPP benefits they are receiving. This does not apply to those who stay under the current system.

Fifth, the new appeals machinery will only be available to "old" claimants with regard to benefits they may be entitled to under the new Act. In other words, the government is not prepared to extend its new, improved procedures to "old" claims. Old claims will continue to get old-style justice even though the government has acknowledged that "reforms along the lines recommended in the Weiler Report are required" (Hon. Robert Elgie, then Minister of Labour, White Paper preface).

Apparently, the enhanced "effectiveness and acceptability of the Board's internal decision-making procedure" which will result from the proposed reforms (White Paper, p. 1) would be too rich a diet for those accustomed to the old menu. But if this proposal is implemented, heaven help the worker who reactivates an old injury, or who seems to recover fully from an accident and suffers a relapse some years later!

In our view, these restrictions are small-minded and punitive. At best, they show a grudging recognition that injured workers have paid, and paid heavily, for their injuries and disabilities, while the province's employers for decades have enjoyed cheap insurance and shelter from being sued for workplace accidents.

Our position is straightforward, fair and even-handed. All existing claimants -- those currently receiving benefits, those injured after the new Act is in place, and those receiving survivors' awards -- should be brought into the new system of workers' compensation we are advocating. Their disabilities should be rated according to an improved clinical disability rating scheme and they should be awarded wage loss pensions as if newly injured. Of course, the earnings basis for their claim should be updated to reflect their wage loss in current dollars.

Our proposal thus provides two tremendously important benefits for injured workers: the pensions of all previously injured workers and their surviving dependents would be raised to current levels, and they would be eligible for every benefit created by the new system.

In addition, all injured workers should retain the right to have a pension commuted. As we have argued above regarding Recommendation #3, in commuting future benefits the applicable discount rate should not be the punitive 7 per cent favoured by the majority and by the Board but the 2-2 1/2 per cent figure used by the Ontario courts in making such calculations.

In this regard, the majority's admission of the effects of a 7 per cent discount rate should be noted. According to the majority, "these discount rates [less than 7 per cent] would result in larger . . . awards than would the continued use of a 7 per cent discount rate, which allows no adjustment for future inflation" (Committee Recommendations, Existing Claims).

FINANCIAL MANAGEMENT, UNFUNDED LIABILITY AND COST OF COMMITTEE PROPOSALS

The NDP members of the Committee share the concern of other members regarding the size and growth of the Board's unfunded liability. However, the nature of our concern is quite different from that expressed by the majority.

To begin with, we dispute the offensive anti-worker assumptions which underlie the majority's rationalization of the issue. It is true that benefits have increased, it is true that the average duration of claims has increased in recent years and it is true that the payroll assessment bases of some industries have been reduced by the Great Recession. However, these factors did not produce the current unfunded liability alone or in any mysterious way. The key ingredient missing in the majority's account is this government's long-standing policy of having workers' compensation provide cheap insurance for Ontario employers, while at the same time improving the system and increasing benefits to only a minimally socially acceptable level.

Consider the evidence:

- Since 1975, the payroll weighted average assessment rate for Ontario employers has varied between $1.45 and $1.97 per $100 of payroll. In other words, during this period, workers' compensation has represented a payroll tax of between one and two per cent.

  But lest one be misled, rates have not increased from the lower to the higher figure over the past eight years. In fact, they peaked in 1978 and have been at less than 1978 levels ever since! Indeed, assessment rates were reduced in 1979 from 1978 levels and again in 1980 from the already reduced 1979 rates.

  This year's rates are estimated to be $1.84 per $100 of payroll. This is within ten cents or five per cent of the average rate since 1975. Given this, are we to believe that the Board has not sheltered employers by allowing the level of unfunded liability to soar? In the view of the majority, apparently so.

- Since 1977, inflation has increased by more than 70 per cent. The Board's administrative costs have increased by 126 per cent and expenditures on medical and rehabilitation services have increased by 157 per cent.

  At the same time, the number of claims submitted has fallen by 74,000. Since 1979 (1977 and 1978 figures unavailable), the number of allowed lost-time claims has fallen by 17,000. And what are the variables the majority looks to?

  - the average duration of claims, which has increased from 5.7 weeks in 1980 to an estimated 7.3 weeks in 1982 (a significant but hardly comparable rate of increase);

  - increased benefit levels, which continue to lag inflation and penalize injured workers by providing inadequate levels of replacement income; and

  - falling payroll assessment bases.

Although the last factor unfortunately is true for many individual employers and for specific sub-industries and regions, a closer look at the evidence before the Committee raises a number of intriguing points about the arguments presented regarding the Board's unfunded liability.

To begin with, the accounts of the rate groups presented to the Committee (Exhibit #154, September 14, 1983), show that in ten of the sixteen specific groups unfunded liability for the group increased over the 1979-82 period. But, in only one of these 16 specific cases had group payroll decreased. In fact, in the woods operations group, payroll increased by 3% while unfunded liability soared by 1951%; in the light manufacturing group, payroll increased by 42% while unfunded liability went up by 658%; and in the restaurants group, payroll went up by 35% while unfunded liability literally exploded, resulting in a three-year increase of 47,000%. Indeed, the only group in which the payroll base went down while unfunded liability went up is general construction, which is not even in the "high risk resource industry" category referred to by the majority.

Why risk confusing the issue by throwing around all these figures? Simple: the majority is attempting to use the Board's actuarial data to screen the unpleasant reality of employers' costs. These costs have remained relatively fixed since 1975, a period which has seen not only the highest inflation of the post-war period but also a significant shift in the composition of the national income, with a declining share going to labour and an increased share going to profits.

The question of whether the present level of unfunded liability threatens the integrity of the workers' compensation program in Ontario is a valid one, but to reflect accurately the political realities of majority Tory government the issue must be framed differently. The more accurate representation would see the current level of unfunded liability as the result of a three-factor equation involving benefits, assessment rates and unfunded liability. Historically, the equation has unfolded as follows:

* The context is a long tradition of slow increases in WCB benefits, ostensibly because if benefits were to be increased any faster, one or both of assessment rates and unfunded liability would have to rise.

* As national income factor shares shift from labour to profits and as the growth of Board assets outstrips that of liabilities from 1975-80, employer assessment rates are reduced. Unfunded liability falls as a proportion of total liability from 41% to 19%.

* As the Great Recession gets underway, it gradually becomes clear that even though employment levels are falling, the costs of compensation and the duration of claims will increase, largely because of the disappearance of light duty jobs which injured workers might have moved into under better economic conditions. As a result of these financial pressures, unfunded liability almost quadruples in dollar terms, and rises from 19% to 50% of total liabilities between 1980 and 1983.

* As political pressures on the government to increase benefits to match or exceed inflation and to "reshape workers' compensation" grow, assessment rates are allowed to increase. Because the increases are sufficient to outrage employer groups, but not adequate to allow major improvements in the system without increasing assessment rates and/or unfunded liability still further:

- employer groups can express their outrage and then claim victory for persuading government not to increase rates still further;

- the government can engage in a lengthy process of review in order to deflect pressures for revamping the system of workers' compensation;

- as the review nears completion, Tory and Liberal apologists can point to the still high level of unfunded liability and to the concerns of employers in order to justify their refusal to address systemic reform now; and

- further study, preferably by Board personnel, can be encouraged.

If this were a musical composition, the instruction to the performer would be "da capo al fine" -- in English, repeat from the beginning. But, unfortunately, it is not: it is the recurring pattern of government subterfuge, which takes place over and over at the expense of injured workers. Accordingly, we believe that while the level of unfunded liability should be a concern, the real threats to the integrity of workers' compensation in Ontario are government policy and its apologists in the Tory and Liberal parties.

Another major concern of NDP Committee members involves the majority's urging that the government in effect tailor the development of new legislation to the "ability to pay" of employers. This is the only possible interpretation of the majority's recommendations, particularly when it recommends that a study should be done of the unfunded liability issue, "based on the principle that WCB funding and the financing of the unfunded liability are the exclusive responsibilities of employers" (Committee Recommendations above: Financial Management, Unfunded Liability and Cost of Committee Proposals).

As Committee members are aware, the notion of "ability to pay" has a special resonance in late 1983, given its prominence in the Treasurer of Ontario's recently announced changes in labour arbitration procedures and requirements. Moreover, just as the notion of "ability to pay" in the industrial relations field carries ideological and economic weight which far outweighs its seeming innocuousness and reasonableness, so it does also in connection with legislative reform of workers' compensation.

Although employers pay the assessments levied by the Board, not even Professor Weiler believes that the burden of assessments remains exclusively with employers. Indeed, he says "in the final analysis I believe that compensation benefits are paid for not by capital but primarily by labour . . . my judgment is that the ultimate incidence of workers' compensation costs is borne largely by the active labour force . . ." (Weiler Report, p. 18).

The exact division of costs between workers and employers cannot be established here. The important point, however, is that the costs of workers' compensation are not exclusively employers' costs: some considerable portion is borne by workers. In addition, the structure and benefits of the workers' compensation system are not bargained between workers and employers at any level of the Ontario system of industrial relations. Rather, the terms of the bargain are set politically, by the government.

Because the costs of workers' compensation are not exclusively borne by employers and because the terms and conditions of workers' compensation are politically determined by the government, we feel that the "ability to pay" argument being advanced by the Committee majority is the same argument propunded by the Treasurer in Bill 111, 1983's version of wage controls.

Equally, we feel that the argument must be rejected as it has been rejected uniformly by arbitrators charged with determining the compensation of public sector workers. There are two key reasons for rejecting the "ability to pay" argument:

- First, if "ability to pay" is a criterion for the development of new legislation and policy, as the majority wishes it to be, the result can be pre-determined simply by artificially limiting the budget available for financial enhancement of the system.

  Because the terms and conditions of workers' compensation are set politically (and also, we note, because nobody would claim a two per cent payroll tax as an onerous burden), in a very real sense, "ability to pay" becomes a matter of "willingness to pay".

- Second, to paraphrase the long-standing and fundamental argument of arbitrators regarding public sector wage rates, injured workers should not have to subsidize private employers by receiving inadequate replacement income as a result of being hurt. This simply transfers to the victim the costs of his/her own injury, even though workers' compensation is supposed to provide "no fault" insurance.

Our final concern in this section is that the government not be able to continue its shell game with regard to actuarial data. We believe that the government ought to provide all members of the legislature and all interested observers with detailed cost estimates of proposed legislative changes and the major alternatives suggested in the dissenting recommendations at the time legislation is tabled in the House for first reading.

RIGHT OF ACTION

The NDP members of the Committee believe that the question of whether an injured person, in addition to his/her rights under the Workers' Compensation Act, should have an individual right of action in the courts raises two separate issues. The first is whether the tradeoff embodied in the Act whereby workers surrendered the pursuit of tort remedies in the courts in exchange for no fault insurance protection ought to be changed. On this question, we are committed to the principle of the existing system, although we quarrel with many aspects of its operation and application. We do not want a return to the "bad old days" which preceeded the establishment of workers' compensation in the early years of this century.

At the same time, we would be remiss if we did not point out the palpable injustice represented by the inadequate benefits, the restrictive applicability and the loopholes which exist under the current Act. In particular, although the alternatives in tort are unattractive, it is impossible to accept that even maximum benefit levels under the current Act represent a fair bargain for injured workers. This is made clear by the enormous discrepancy between the amounts awarded in successful tort cases and WCB benefits. While we acknowledge that the two are not directly comparable, the scale of the discrepancy is troubling.

We would also remind Committee members that our proposals for a comprehensive sickness, accident and disability insurance program in Ontario would consign all such tradeoffs of human rights to the archives.

This issue should not be confused with a second problem: whether the Draft Act should be amended in the sweeping manner suggested by the majority. In our view, the decision of the Ontario Court of Appeal should be looked at carefully (Beryl Bernice Berger v. Willowdale A.M.C. et al., 1983, 41 O.R., 2d, 89). In finding that an employee had a right of action against executive officers of the corporation for which she worked, the court stated:

> Undoubtedly, the legislators thought that such a provision would encourage executive officers to consider the safety of their employees and to avoid the creation or maintenance of dangerous situations. The court should be reluctant to interefere with such a legislative policy (p. 18).

The court went on to state that:

> The liability of an executive officer of a corporation will, of course, be dependent upon the facts of the individual case. The factors in determining liability will include the size of the company, particularly the number of employees and the nature of the business; whether or not the danger or risk was or should have been readily apparent to the executive officer; the length of time the dangerous situation was or should have been apparent to the executive officer; whether that officer had the authority and ability to control the situation and whether he had ready access to the means to rectify the danger (p. 19).

In our view, the right of action established in this case should not be removed by amendment of the *Draft Act*. In the cases where it will be found to apply, we believe it provides valuable additional protection for employees in the workplace which should not be removed. In addition, we do not believe that its existence in any way contradicts the intent of the current legislation. The Workers' Compensation Act surely was never intended, and does not intend now, to remove entirely the common law responsibilities of executive officers of a corporation, particularly where negligence is found to be involved.

APPENDIX A

ORDERS OF REFERENCE OF THE ONTARIO LEGISLATURE RELATING TO THE RESOURCES DEVELOPMENT COMMITTEE AND WORKERS' COMPENSATION

Order of Reference Dated June 4, 1982

Resolved, That, the following documents be referred to the Standing Committee on Resources Development for its consideration and Report thereon to the House: (1) "Reshaping Workers' Compensation for Ontario" by Paul C. Weiler, dated November, 1980 ("The Weiler Report"); and (2) "Government of Ontario White Paper on the Workers' Compensation Act" tabled June 25th, 1981 ("The White Paper"); That, the Committee have power to retain expert staff for this reference as it sees fit, subject to the approval of the Board of Internal Economy; And, that, the Committee have authority to sit on this reference, if required, during the summer adjournment, subject to agreement on timetabling by the three parties' Whips.

Order of Reference Dated April 22, 1983

Ordered, That, the following documents referred to the Standing Committee on Resources Development in the Second Session stand referred to the Committee during the Third Session for its consideration and Report thereon to the House: (1) "Reshaping Workers' Compensation for Ontario" by Paul C. Weiler, dated November, 1980 ("The Weiler Report"); and (2) "Government of Ontario White Paper on the Workers' Compensation Act" tabled June 25th, 1981 ("The White Paper"); and, That, the Committee have power to retain expert staff for this reference as it sees fit, subject to the approval of the Board of Internal Economy.

Order of Reference Dated June 21, 1983

Ordered, That the following committees be authorized to meet during the summer adjournment, in accordance with the schedule of meetings agreed to by the three party Whips and tabled today (*Sessional Paper No. 104*):

—Standing Committee on Resources Development, to consider the documents "Reshaping Workers' Compensation for Ontario" and the Government of Ontario White Paper on the Workers' Compensation Act;

APPENDIX B

THE 21 MAJOR PROPOSALS OF THE WHITE PAPER ON THE WORKERS' COMPENSATION ACT (1981)

1. The ceiling for the calculation of covered earnings (currently $25,500) should be increased to 250% of the average industrial wage in Ontario (currently, approximately $50,000).

2. Temporary Compensation benefits should be based on 90% of pre-injury net disposable earnings (instead of the present base of 75% of gross earnings).

3. A dual award system should be instituted for permanent disability: a lump-sum to be paid according to the degree of impairment, and continuing periodic payments to be made only when wages are actually lost.

4. "Stacking" of benefits should be reduced by deducting CPP disability and survivor benefits from WCB benefits in cases of permanent disability and survivor awards.

5. Wage loss benefits for permanent disability should cease when the worker attains the age of 65, to be replaced with retirement income loss benefits.

6. The employer should maintain the workers' employment benefits (including private pensions) while the worker is on total disability benefits, for a maximum of one year.

7. In new fatal accident cases, survivor and dependent awards should be decided according to a new formula: annually adjusted pensions calculated on the basis of the deceased's pre-accident earnings (rather than flat rates, as currently), the percent of such awards to vary with the age of the spouse; a capital sum equal to 250% of the average industrial wage (approximately $40,000 in 1980), adjusted for spouse's age, awarded to the spouse; such capital sum to be the sole compensation of spouses under 40 with no dependants.

8. Compensation benefit awards under the new Act should be reviewed annually by Cabinet for possible adjustments for inflation, such review to follow a public report by the Workers' Compensation Board and any such adjustments to be made by regulation.

9. The one-day waiting period for benefits should be eliminated, and the employer should be required to pay the injured employee his normal wages for the day on which his injury occurs.

10. WCB coverage should be extended to domestics.

11. An independent, tripartite appeals tribunal should be established.

12. A new system of independent Medical Review Panels should be established.

13. A new Corporate Board with outside directors should be established.

14. The Office of the Worker Adviser should be expanded and made independent of the Board.

15. A new Office of the Employer Adviser should be established, to be independent of the Board.

16. Full access to claim records should be made available to the employee and his representative; the employer and his representative will be granted access to those records deemed relevant by the Board in cases where the employer contests either an application for compensation or his accountability for costs.

17. A mandatory experience-rating plan for individual employers should be instituted.

18. A worker should accept available work deemed suitable by the Board, or lose equivalent compensation.

19. A worker should have the right to return to his old job, if he is able; and if he is no longer capable of performing that job, he should have a limited right to another suitable job in the same enterprise.

20. An employer should offer re-employment to an injured worker if suitable work is deemed to be available by the Board, or face increased assessment costs.

21. Employment discrimination for seeking and/or receiving benefits under this Act should be prohibited.

Appendix C

STANDING COMMITTEE ON RESOURCES DEVELOPMENT
WEILER REPORT - WORKERS' COMPENSATION ACT (WHITE PAPER)

CHRONOLOGICAL HISTORY OF APPEARANCES BEFORE COMMITTEE

Wednesday, September 8, 1982

Disabled Workers of Ontario

Private Citizen - Mrs. Banks

Toronto Disabled Fire Fighters

Toronto Fire Fighters' Association, Local 113, International Association of Fire Fighters

Council of Ontario Contractors Associations

Canadian Red Cross Society - Ontario Division

Hamilton & District Labour Council

Advocates' Society

Thursday, September 9, 1982

Canadian Organization of Small Business

Labourers' International Union of North America, Ontario Provincial District Council

JADDCO

Ontario Trucking Association

Ontario Federation of Labour

Costi-IIAS Immigrant Services

United Automobile Workers

Wednesday, September 15, 1982 - THUNDER BAY

Thunder Bay & District Labour Council

Lumber & Sawmill Workers' Union

Steelworkers - Local 8126

Kinna-Aweya Legal Clinic

Steelworkers - Local 950

Corporation of the City of Thunder Bay

Retail Clerks Union, Local 409

Thunder Bay Area Emergency Measures Organization

(cont'd. - Chronological History of Appearances)

Thursday, September 16, 1982 - SUDBURY

Union of Injured Workers
Committee of Lawyers of the District of Sudbury
Private Citizen - Harriet Conroy
Sudbury Community Legal Clinic - Union of Injured Workers' Local
United Steelworkers of America - Local 6500
Private Citizen - Walter Collins

Wednesday, September 22, 1982

The Association of Injured Workers' Groups

Wednesday, September 29, 1982 - WINDSOR

Windsor Occupational Safety & Health Council (W.O.S.H.)
Community Legal Aid & Legal Assistance of Windsor
The Corporation of the City of Windsor

As of April 26, 1983

Tuesday, April 26, 1983

The Law Union of Ontario, Workers' Compensation Collective
The Ontario Fruit and Vegetable Growers' Association

Wednesday, April 27, 1983

Energy and Chemical Workers Union
John Deere Welland Works
Canadian Association of Recycling Industries
Private Citizen - Mrs. Lillian McAdam

(cont'd. - Chronological History of Appearances)

Thursday, April 28, 1983

The Canadian Air Line Flight Attendants' Association

Private Citizen - Merv Brown

Private Citizen - Robert Quaile

Tuesday, May 3, 1983

Financial Executives Institute Canada

Robert C. Cronish, Esq. - Barrister & Solicitor

Wednesday, May 4, 1983

The Canadian Manufacturers' Association

Retail Council of Canada

St. John Ambulance

Thursday, May 5, 1983

Dominion Marine Association; Standard Compensation Act Liability Association Ltd.; British Group of Protecting and Indemnity Association

Ontario Professional Fire Fighters' Association

Wednesday, May 11, 1983

Ontario Road Builders Association

Asbestos Victims of Ontario

United Food and Commercial Workers, Ontario Retail Council

Ontario Mining Association

Thursday, May 12, 1983

Canadian Union of Public Employees (C.U.P.E.)

Italian Advisory Committee on Occupational Health, Safety and Vocational Rehabilitation

The Confederation of Canadian Unions - Ontario Council

(cont'd. - Chronological History of Appearances)

Tuesday, May 17, 1983

United Food & Commercial Workers, International Union

O.P.S.E.U

Law Union - Workers' Compensation Collective

Wednesday, May 18, 1983

Canadian Lake Carriers Association (C.L.C.A.)

Labour Council of Metropolitan Toronto

Private Citizen - Witold Korsak

Thursday, May 19, 1983

Ontario Legislative Committee - Canadian Railway Labour Association

Private Citizen - Harry Bassken

Private Citizen - William D. Griffith

Tuesday, May 24, 1983

Ontario Professional Fire Fighters' Association

Canadian Federation of Independent Business

Disabled Workers of Ontario

Wednesday, May 25, 1983

Canadian Society of Safety Engineering

Canadian Association of Accident and Sickness Insurers; The Canadian Life Insurance Association Inc.

Thursday, May 26, 1983

Waterloo Region Community Legal Services & on behalf of South Western Association of Ontario Legal Clinics

Canadian Federation of Independent Business

Private Citizen - Mr. A. Bonca

(cont'd. - Chronological History of Appearances)

Tuesday, May 31, 1983

Disabled Workers of Ontario
Robert Cronish, Esq. - Barrister & Solicitor

Wednesday, June 1, 1983

The Association of Injured Workers' Groups and Private Citizens

Thursday, June 2, 1983 - After Routine Proceedings

Canadian Organization of Small Business

Thursday, June 2, 1983 - Evening

The Association of Injured Workers' Groups

Monday, June 6, 1983

The Association of Injured Workers' Groups

Tuesday, June 7, 1983

Professor Paul C. Weiler

Wednesday, June 8, 1983

Professor Paul C. Weiler

Monday, June 13, 1983

Professor Paul C. Weiler

Wednesday, June 22, 1983

Professor Paul C. Weiler

(cont'd. - Chronological History of Appearances)

* FROM THIS DATE FORTH, THE FOLLOWING MEETINGS WERE HELD "IN CAMERA"

Monday, July 4, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Tuesday, July 5, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Wednesday, July 6, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Thursday, July 7, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Monday, July 11, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Tuesday, July 12, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch;
John Neal, Actuarial Services

Wednesday, July 13, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

(cont'd. - Chronological History of Appearances)

Thursday, July 14, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Friday, July 15, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Tuesday, September 6, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch;
John Neal, Actuarial Services; Robert D. Reilly, Executive Director, Financial Services Division; Bruce Neville, Actuarial Services

Wednesday, September 7, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch;
J.F. McDonald, Executive Director, Claims Services Division;
A.J. Darnbrough, Executive Director, Vocational Rehabilitation Division; John D. Carroll, Divisional Co-ordinator, Vocational Rehabilitation Division; Tony Corbeau, Executive Co-ordinator, Regional Operations and Area Officer Division

Thursday, September 8, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Friday, September 9, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

(cont'd. - Chronological History of Appearances)

Monday, September 12, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Tuesday, September 13, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Wednesday, September 14, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Thursday, September 15, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch; John Neal, Actuarial Services; Robert D. Reilly, Executive Director, Financial Services Division; Bruce Neville, Actuarial Services

Friday, September 16, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Wednesday, November 9, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Wednesday, November 23, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

(cont'd. - Chronological History of Appearances)

Tuesday, November 29, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

Thursday, December 1, 1983

Workers' Compensation Board:
Douglas Cain, Director, Claims Review Branch

List of Organizations and Private Citizens

Presenting

ORAL BRIEFS

Name of Organization/Private Citizen	Date Presented
PRIVATE CITIZEN - Mrs. M. Banks	September 8, 1982
LUMBER & SAWMILL WORKERS' UNION - Eric Hauthala, President	September 15, 1982 (Thunder Bay)
KINNA-AWEYA LEGAL CLINIC - Daniel T. Cox, Barrister & Solicitor	"
UNION OF INJURED WORKERS - Alan Evans, President	September 16, 1982 (Sudbury)
PRIVATE CITIZEN - Harriet Conroy	"
PRIVATE CITIZEN - Mr. Walter Collins	"
PRIVATE CITIZENS -E. Scardigno R. Makepeace G. Di Michele F. Figlia R. Agosta M. Ferrari K. Parlannis S. Bagga O. Dodds T. Kiousis G. Mancuso F. Lombardo	September 22, 1982 (Ontario Room, Macdonald Block)
UNION OF INJURED WORKERS - P. Biggin	"
INJURED WORKERS' CONSULTANT - Nick McCombie	"
CENTRAL TORONTO COMMUNITY LEGAL CLINIC - G. Dee	"
INDUSTRIAL ACCIDENT VICTIMS GROUP OF ONTARIO - Brian Cook	"
PRIVATE CITIZEN - Witold Korsak	May 18, 1983
PRIVATE CITIZEN - Mr. A. Bonca	May 26, 1983
PRIVATE CITIZENS - Mrs. G. Furani; Julius Lakher; Michael Turrell; Odette Dodds; Mrs. R. Rochelle; June Howard; Majeeb Mir; R. Quattrali; Brian Cook; Nick McCombie; E. Scardigno; P. Biggin; G. Scopacasa; John Hanna; Viola Nichols; Katie Osnach; Bob Moore; Foggia Giacomo; Carlo Caring; Charles Robert; Ajmo Moljkovic; Antonio Nigra; Steve Dunjak; Antonio Frade; Bob Rae, M.P.P.; Sheila Copps, M.P.P; Joe Graluk	June 1, 1983 (outside Legislative Building)

Appendix D

STANDING COMMITTEE ON RESOURCES DEVELOPMENT
WEILER REPORT - WORKERS' COMPENSATION ACT (WHITE PAPER)

EXHIBIT LIST

Exhibit No.	Title	Date Filed
1	DISABLED WORKERS OF ONTARIO - Mervyn M. Booth, Prov. Pres. D.W.O.	Sept. 8, 1982
1A	DISABLED WORKERS OF ONTARIO	"
2	TORONTO DISABLED FIRE FIGHTERS - Harold Hepburn, Leader	"
3	TORONTO FIRE FIGHTERS' ASSOCIATION - Orval Bolton, President	"
4	THE COUNCIL OF ONTARIO CONTRACTORS ASSOCIATIONS (COCA) - Frank Bisson, Chairman of Committee	"
5	THE CANADIAN RED CROSS SOCIETY - ONTARIO DIVISION - Michael Exall, First Aid Chairman	"
6	HAMILTON & DISTRICT LABOUR COUNCIL - Henry Miedas, Chairman of Health and Safety Committee	"
7	ADVOCATES' SOCIETY - Peter Webb	"
8	Report entitled "Select Items on the White Paper/Weiler Report/ and Issues Associated with the Workers' Compensation" prepared by Jerry Richmond, Research Officer, Legislative Research Service, dated August, 1982.	"
9	Article from Fortune entitled "When Accidents Don't Happen" by Jeremy Main, dated September 6, 1982.	"
10	Report entitled "Examination of the Financial Structure of the Workmen's Compensation Board and an Assessment of the Actuarial Deficit" prepared by The Wyatt Company, dated June, 1978.	"
11	Report entitled "An Act to Revise the Workmen's Compensation Act" dated August 12, 1982.	"

Exhibit No.	Title	Date Filed
11A	Report entitled "Changes in the Draft Act (since June 25, 1981)".	Sept. 8, 1982
12	CANADIAN ORGANIZATION OF SMALL BUSINESS - Geoffrey E. Hale, Director of Policy and Government Relations	Sept. 9, 1982
13	LABOURERS' INTERNATIONAL UNION OF NORTH AMERICA, The Ontario Provincial District Council - R. D'Andrea, President	"
14	JAADCO - A. R. Bird, President & D. Sawyer, Safety Director	"
15	ONTARIO FEDERATION OF LABOUR - C. Pilkey, President	"
16	COSTI-IIAS IMMIGRANT SERVICES - M. Minna, President	"
17	CANADIAN UAW COUNCIL (United Auto Workers) - J. Gill, Director	"
18	ONTARIO TRUCKING ASSOCIATION (OTA) - S. Flott, Executive Vice-President	"
19	Report entitled "Tabular Comparison of Workers' Compensation Provisions in Canada" prepared by Jerry Richmond, Research Officer, Legislative Research Service dated September 1982	"
19A	Article entitled "Analysis of Workers' Compensation Laws 1982" prepared by the U.S. Chamber of Commerce dated January 1st, 1982	"
20	Report entitled "Select Material on the Organization and Operations of the Workmen's Compensation Board" prepared by Jerry Richmond, Research Officer, Legislative Research Service dated September, 1982	"
21	Report entitled "A Comparison of the Major Proposals of the White Paper on the Workers' Compensation Act with the Draft Bill to Amend the Workmen's Compensation Act, and Reshaping Workers' Compensation for Ontario by Paul C. Weiler" prepared by Merike Madisso, Research Officer, Legislative Research Service	"
22	THUNDER BAY & DISTRICT LABOUR COUNCIL - Norman Richard, General Secretary	Sept. 15, 1982 (Thunder Bay)

Exhibit No.	Title	Date Filed
23	UNITED STEELWORKERS OF AMERICA - LOCAL 950 - Gordon Prest, President	Sept. 15, 1982 (Thunder Bay)
24	UNITED STEELWORKERS - LOCAL 8126 - Francis M. Bell, President	"
25	CORPORATION OF THE CITY OF THUNDER BAY - Gary J. Phillips, Occupational Health and Safety Superintendent	"
26	RETAIL CLERKS - LOCAL 409 - Jerry Morris, Executive Member	"
27	THUNDER BAY AREA EMERGENCY MEASURES ORGANIZATION - Edward A. Fallen, Emergency Planning Officer	"
28	COMMITTEE OF LAWYERS OF THE DISTRICT OF SUDBURY - Hubert Bray, Barrister & Solicitor	Sept. 16, 1982 (Sudbury)
29	THE SUDBURY COMMUNITY LEGAL CLINIC - David Leitch, Barrister & Solicitor	"
30	UNITED STEELWORKERS OF AMERICA - LOCAL 6500 - Jim Hickey	"
31	THE ASSOCIATION OF INJURED WORKERS' GROUPS - B. Cook	Sept. 22, 1982
32	Report entitled "Newspaper Clippings" prepared by Merike Madisso, Research Officer, Legislative Research Service, dated September 22, 1982	"
33	WINDSOR OCCUPATIONAL SAFETY & HEALTH COUNCIL (W.O.S.H.)	Sept. 29, 1982 (Windsor)
34	COMMUNITY LEGAL AID & LEGAL ASSISTANCE OF WINDSOR - (Joint Brief)	"
35	THE CORPORATION OF THE CITY OF WINDSOR	"
	* * *	* * *
36	THE LAW UNION OF ONTARIO, WORKERS' COMPENSATION COLLECTIVE - Alec Farquhar dated April 26, 1983	Apr. 26, 1983
37	THE ONTARIO FRUIT AND VEGETABLE GROWERS' ASSOCIATION - Peter Fisher, Grower, Rene Long and John Collins dated April 26, 1983	"

Exhibit No.	Title	Date Filed
38	Document entitled "Amendments raise benefits, give Board a new name", prepared by the Research Officer, Legislative Research Service	Apr. 27, 1983
39	ENERGY AND CHEMICAL WORKERS UNION - Brief entitled "White Paper on the Workers' Compensation Act: A Response" dated October, 1981 - Robert Stewart, Secretary Treasurer	"
40	JOHN DEERE WELLAND WORKS - Brief dated April 1983 - Mike Triplett, Works Manager	"
41	CANADIAN ASSOCIATION OF RECYCLING INDUSTRIES - Stan Parker, Executive Director - Brief dated December 18, 1981	"
42	PRIVATE CITIZEN - Mrs. Lillian McAdam	"
43	THE CANADIAN AIR LINE FLIGHT ATTENDANTS' ASSOCIATION - Max Jamernik, First Vice-President - Brief entitled "Reforming Workers' Compensation in Ontario", dated September, 1982	April 28, 1983
44	PRIVATE CITIZEN - Mr. Merv Brown	"
45	PRIVATE CITIZEN - Mr. Robert Quaile	"
46	Document entitled "A Comparison of the Major Proposals of the White Paper on the Workers' Compensation Act with the Draft Bill to Amend the Workmens' Compensation Act (ie., the current legislation which has since been renamed the Workers' Compensation Act) and the Weiler Report (Green Report - November 1980)." "Recommendations Made within Briefs and Presentations on Workers' Compensation - (This document represents a compilation of recommendations made during the fall 1982 hearings and briefs)". Prepared by Merike Madisso and Jerry Richmond, Research Officers, Legislative Research Service, dated April 28, 1983.	"
47	Document entitled "75% Gross and 90% Net Salary Benefit Table * *Attached to the Brief by Local 6500, United Steelworkers of America (Sudbury) which	"

Exhibit No.	Title	Date Filed
	was presented to the Resources Development Committee in September, 1982", prepared by the Legislative Research Service.	
48	FINANCIAL EXECUTIVES INSTITUTE CANADA - Ken Smith, President and Colin Brooke, dated May 3, 1983.	May 3, 1983
49	ROBERT C. CRONISH, ESQ. - Barrister and Solicitor - Brief entitled "Response to the White Paper Proposals of the Ministry of Labour", dated 24th September 1981.	"
49A	ROBERT C. CRONISH, ESQ. - Barrister and Solicitor - Brief entitled "Submissions - White Paper"	May 3, 1983 (also presented on May 31, 1983)
49B	ROBERT C. CRONISH, ESQ. - Barrister and Solicitor - Brief entitled "W.C.B. Decisions - Re: Response to White Paper"	" (also presented May 31, 1983)
50	Three newspaper articles entitled - 1. Cancer victims' families denied millions: Report - 2. Injured workers deserve more - 3. Families of 650 victims of cancer deprived of WCB benefits: report - received from the Research Officers, Legislative Research Service	May 4, 1983
51	THE CANADIAN MANUFACTURERS' ASSOCIATION - Brief entitled "A Submission to the Standing Committee on Resources Development concerning Paul C. Weiler's Report "Reshaping Workers' Compensation for Ontario" and "The Government White Paper on the Workers' Compensation Act", dated May 4, 1983	"
52	RETAIL COUNCIL OF CANADA - Brief on the White Paper on Workers' Compensation Act, Alasdair McKichan, President, dated May 4, 1983	"
53	ST. JOHN AMBULANCE - Brief to the Standing Committee on Resources Development - Ontario Government - Department of Labour	" "
54	DOMINION MARINE ASSOCIATION; STANDARD COMPENSATION ACT LIABILITY ASSOC. LTD.; BRITISH GROUP OF PROTECTING AND INDEMNITY ASSOC. - Jon H. Scott, Barrister & Solicitor (McMaster Meighen) Brief dated May 5, 1983	May 5, 1983

Exhibit No.	Title	Date Filed
55	ONTARIO PROFESSIONAL FIRE FIGHTERS' ASSOCIATION - Dave Beattie, Compensation Representative (Not enough time - to be rescheduled as per Committee) Brief dated May 5, 1983	May 5, 1983
55A	ONTARIO PROFESSIONAL FIRE FIGHTERS' ASSOCIATION - Entitled "Exhibits" - Dave Beattie, Compensation Representative (Not enough time - to be rescheduled) — dated May 5, 1983	"
56	ONTARIO ROAD BUILDERS ASSOCIATION - Mr. M.F. Macdonald, General Manager - dated October, 1982	May 11, 1983
57	ASBESTOS VICTIMS OF ONTARIO - Edward Cauchi	"
58	UNITED FOOD AND COMMERCIAL WORKERS, ONTARIO RETAIL COUNCIL - Bill Reno, Research and Education Director - Dated May 11, 1983	"
59	ONTARIO MINING ASSOCIATION - James M. Hughes, Executive Director - Brief dated May 11, 1983	"
59A	ONTARIO MINING ASSOCIATION - James M. Hughes, Executive Director - Brief dated September 30, 1981	"
60	CANADIAN UNION OF PUBLIC EMPLOYEES - (C.U.P.E.) - Ontario Division - Jeff Rose and Lucie Nicholson, Co-chairpersons of the Legislation Cttee. - Brief dated May 12, 1983	May 12, 1983
61	ITALIAN ADVISORY COMMITTEE ON OCCUPATIONAL HEALTH, SAFETY AND VOCATIONAL REHABILITATION - Brief entitled "Response to the White Paper" - William Villano	"
61A	ITALIAN ADVISORY COMMITTEE ON OCCUPATIONAL HEALTH, SAFETY AND VOCATIONAL REHABILITATION - Brief signed by Antonio Mazzotta per il Patronato A.C.L.I. and Elio Agosto per il Patronato I.N.A.S. (IN ITALIAN ONLY) - dated September 28, 1981	"

Exhibit No.	Title	Date Filed
61B	ITALIAN ADVISORY COMMITTEE ON OCCUPATIONAL HEALTH, SAFETY AND VOCATIONAL REHABILITATION - Letter addressed to The Workers' Compensation Revision Committee, Ministry of Labour, Honourable Russell H. Ramsay, Minister of Labour from FILEF (Italian Federation of Immigrant Workers and their Families) signed by Giuseppe Giuliani, President dated September 29, 1981	May 12, 1983
62	THE CONFEDERATION OF CANADIAN UNIONS - ONTARIO COUNCIL - Peter Dorfman, Chairperson - Brief dated May, 1983	"
63	Document prepared by Merike Madisso, Research Officer, Legislative Research Service, entitled "Beryl Bernice Berger v. Willowdale A.M.C., Falken Automobiles Inc., Hans J. Falkenberg, North York Chevrolet Oldsmobile Limited, Noel Croxen, Auto Complex Limited, William Popovich and Young Steeles Motors Limited", dated May 10, 1983	"
64	Letter addressed to William Barlow, M.P.P., Chairman, Standing Committee on Resources Development, from the Worker's Compensation Board, Lincoln M. Alexander, Q.C., Chairman - re: Approval from the Board on sending a Notice to Injured Workers about a Public Meeting, June 1st, 1983 with their Pension Cheques. Letter dated May 10, 1983	"
65	UNITED FOOD & COMMERICIAL WORKERS, INTERNATIONAL UNION - Kevin Park - Brief dated August, 1982	May 17, 1983
66	O.P.S.E.U. - Andrew King, Lawyer - Submission dated April, 1983	"
67	LAW UNION - WORKERS' COMPENSATION COLLECTIVE - Supplement to Law Union's presentation dated April 26, 1983 (see Exhibit No. 36) - Alec Farquhar - Supplement dated May 17, 1983	"
68	Document entitled "Percentage of WCB Claims at or below the Ontario Minimum Wage" dated May 17, 1983 from W.R. Kerr, Senior Executive Director and Assistant General Manager, W.C.B.	"

Exhibit No.	Title	Date Filed
69	Document entitled "Delay in Reporting Accidents to the Workers' Compensation Board, for the Year 1982", from W.R. Kerr, Senior Executive Director and Assistant General Manager, W.C.B. - dated May 16, 1983	May 17, 1983
70	Document entitled "Permanent Disability Pension Awards" from D. Cain, Director, Claims Review Branch, W.C.B. - dated May 17, 1983	"
71	Document entitled "Comparison of 90% of Net and 75% of Gross Income Computations - Ontario 1980" prepared by Jerry Richmond, Research Officer, Legislative Research Service - dated May, 1983	"
72	Document entitled "Distribution of Workers' Compensation Board Lost Time Claims by Annual Wage of Claimants - prepared by Jerry Richmond, Research Officer, Legislative Research Service	"
73	Document entitled "Summary of St. John Ambulance First Aid Training Studies in Orillia (1973) and Cambridge-Guelph (1974) as Mentioned in Presentation of May 4, 1983" - prepared by John Eichmanis, Research Officer, Legislative Research Service - dated May 17, 1983	"
74	THE ASSOCIATION OF INJURED WORKERS' GROUPS - Letter was discussed re: Special Hearing on June 1st, 1983 - addressed to Mr. Bill Barlow, M.P.P., Chairman, Standing Committee on Resources Development signed by Brian Cook and John Williams, dated May 10, 1983	May 18, 1983
75	CANADIAN LAKE CARRIERS ASSOCIATION (C.L.C.A.) - Submission - Jacques A. Laurin, dated May 18, 1983	"
76	LABOUR COUNCIL OF METROPOLITAN TORONTO - Brief - Orlando Buonastella, Secretary of Health and Safety Committee, dated September 2, 1982	"
77	ONTARIO LEGISLATIVE COMMITTEE - CANADIAN RAILWAY LABOUR ASSOC. - Brief - Mr. Carew, Chairman	May 19, 1983
78	PRIVATE CITIZEN - Mr. Harry Bassken	"

Exhibit No.	Title	Date Filed
79	PRIVATE CITIZEN - Mr. William D. Griffith - Brief dated May 16, 1983	May 19, 1983
80	ONTARIO PROFESSIONAL FIRE FIGHTERS' ASSOCIATION - For continuation of their brief - See Exhibit No. 55 & No. 55A dated May 5, 1983	"
81	CANADIAN FEDERATION OF INDEPENDENT BUSINESS - Mr. J. Mandlowitz Submission dated May 24, 1983	" (also presented on May 26, 1983)
82	DISABLED WORKERS OF ONTARIO - Brief presented by Anthony Bazos, Practising Lawyer signed by M. Booth and T. White	" (also presented on May 31, 1983)
83	DISABLED WORKERS OF ONTARIO - Brief dated May 24, 1983	" (also presented on May 31, 1983)
84	Document entitled "Response to the Standing Committee on Resources Development on W.C.B. Pensioners in receipt of C.P.P. or Family Benefits" dated May 19, 1983, prepared by Actuarial Services, W.C.B.	May 19, 1983
85	Document entitled "Centralized Mailing of Compensation Cheques Versus Local Mailing" dated May 17, 1983 signed by Wm. R. Kerr, Senior Executive Director and Assistant General Manager, W.C.B.	"
86	CANADIAN SOCIETY OF SAFETY ENGINEERING - Harry DeJonge, Ontario Provincial Director	May 25, 1983
87	CANADIAN ASSOCIATION OF ACCIDENT AND SICKNESS INSURERS; THE CANADIAN LIFE INSURANCE ASSOCIATION INC. - Mr. Whaley Sr. Vice-President, Group Insurance for Prudential Insurance of America and Mr. Charles Black, Vice-President, Health Insurance	"
88	WATERLOO REGION COMMUNITY LEGAL SERVICES & on behalf of SOUTH WESTERN ASSOCIATION OF ONTARIO LEGAL CLINICS - Submission by: Halton Hills Community Legal Clinic; McQuesten Legal & Community Services; Niagara North Community Legal Services; Waterloo Region Comm. Legal Services - Presented by Diana Clarke, Community Legal Worker dated May 26, 1983	May 26, 1983

Exhibit No.	Title	Date Filed
88A	WATERLOO REGION COMMUNITY LEGAL SERVICES - Submission entitled "Canada Pension Plan Benefits and Other Incomes" - Appendix "A"	May 26, 1983
89	DISABLED WORKERS OF ONTARIO - Submission entitled "Summary on the White Paper on the Professor Weiler Reports", dated May 24, 1983	May 31, 1983
89A	DISABLED WORKERS OF ONTARIO - Letter addressed to Lincoln Alexander, Q.C., Chairman, and the Members of the Workmens' Compensation Board signed by Anthony Bazos, M. Booth, T. White, dated April 21, 1983	"
89B	DISABLED WORKERS OF ONTARIO - Letter addressed to Mr. Rene Clements, from J. Stadtlander, Rehabilitation Counsellor, Vocational Rehabilitation Division, W.C.B. dated August 6, 1982	"
90	Proposed agenda for Professor Paul Weiler's appearance before the Committee addressed to Mr. W. Barlow, M.P.P., Chairman, Standing Committee on Resources Development from Cherith R. Muir, Research Assistant to Paul C. Weiler, dated May 26, 1983	"
90(A)	PRIVATE CITIZEN - Linda Stevenson	June 1, 1983
90(B)	PRIVATE CITIZEN - Ettore Carelli	"
90(C)	PRIVATE CITIZEN - Tony Mauro	"
90(D)	PRIVATE CITIZEN - Lorraine Hruska	"
91	CANADIAN ORGANIZATION OF SMALL BUSINESS - Submission by Geoffrey E. Hale, Director of Policy & Government Relations and Walter J. Carson, Director of Public Affairs dated June 2, 1983	June 2, 1983
92	CANADIAN ASSOCIATION OF RECYCLING INDUSTRIES - Letter addressed to Mr. L.M. Alexander, Chairman, W.C.B. from Stanley T. Parker, Executive Director with responses to questions during their hearing of April 27, 1983 which required elaboration, dated May 17, 1983	"

Exhibit No.	Title	Date Filed
93	Memorandum addressed to Mr. Bill Barlow, M.P.P. from R.H. Ramsay, Minister of the Ministry of Labour with attached information entitled "Number of WCB Pensioners Receiving Family Benefits", dated May 31, 1983	June 2, 1983
94	THE ASSOCIATION OF INJURED WORKERS' GROUPS - Submission entitled "Our Proposals for Properly Reshaping Workers' Compensation in Ontario", dated June, 1983	(also presented on June 6, 1983)
95	Document entitled "Background Information on Burwash Property" prepared by Jerry Richmond, Research Officer, Legislative Research Service, dated June 3, 1983	"
96	Document entitled "Comparison of 90% of Net and 75% of Gross Income Computations - Ontario 1982" prepared by Jerry Richmond, Research Officer, Legislative Research Service, dated June, 1983	"
97	Document entitled "Response to the Standing Committee on Resources Development on Commutations of W.C.B. Permanent Disability Life Pensions" prepared by Actuarial Services, W.C.B., dated May 30, 1983	"
98	Memorandum from Cherith Muir, Research Assistant to Paul C. Weiler with regard to the appearance for Professor P.C. Weiler - revised as of May 31, 1983	"
99	Document entitled "Industries Excluded from Part 1 of the Workers' Compensation Act", prepared by Financial Services Division, dated June 1, 1983	June 7, 1983
100	Document entitled "Procedures to Ensure Correct Industry Classification Under Schedule 1" prepared by Financial Services Division, dated June 7, 1983	"
101	Document entitled "Statistics on Compensable Industrial Fatalities" from Merike Madisso, Research Officer, Legislative Research Service, dated June 7, 1983	"

Exhibit No.	Title	Date Filed
102	Document entitled "Independent Actuarial Analysis of Workers' Compensation Reforms" from Jerry Richmond, Research Officer, Legislative Research Service, dated June 7, 1983	June 7, 1983
103	Document entitled "Safety Association Advertising in 1982 from the Workers' Compensation Board" signed by Wm. R. Kerr, Senior Executive Director & Assistant General Manager, W.C.B., dated June 7, 1983	June 8, 1983
104	Booklet entitled "Permanent Disability Rating Schedule" from the Workers' Compensation Board, effective February 15, 1972	"
105	Document entitled "Permanent Disability Rating Schedule - Workers' Compensation Board, Ontario" signed by Wm. R. Kerr, Senior Executive Director & Assistant General Manager, W.C.B., dated June 7, 1983	"
106	Document entitled "The Effect of the "Deeming" Provisions of the White Paper" handed out by Mr. Renwick, M.P.P.	June 13, 1983
107	Document entitled "Information on the Wyatt Company - Actuarial Consultants" prepared by Jerry Richmond, Research Officer, Legislative Research Service, dated June 13, 1983	"
108	Three newspaper articles entitled 1. "Job blitz helps injured workers" 2. "Counsellors at WCB too busy; workers short-changed: union" 3. "Compensation for job injuries increased 5%"	"
109	Document entitled "Distribution of Duration of W.C.B. Compensation Claims" from Policy Planning Secretariat, dated June 10, 1983	June 13, 1983
110	Document entitled "Employer Objections Reviewed by the Claims Review Branch, 1982 Workers' Compensation Board" from Claims Review Branch, dated June 9, 1983	"
111	Document entitled "Average Duration of W.C.B. Compensation Claims" from Policy Planning Secretariat, dated June 10, 1983	"

Exhibit No.	Title	Date Filed
112	Document entitled "Schedule II Employers Appeals Before Appeals Adjudicatiors, 1982 - Workers' Compensation Board" from Appeals, Workers' Compensation Board, dated June 9, 1983	"
113	Document entitled "Entitlement, Dependants (Other than Spouse, Child/Children, Foster Parent, Parents)". Draft prepared by Claims Services Division, dated January 17, 1983	"
114	Newpaper article entitled "Wounded veterans of the Work-place"	"
115	Document entitled "Combined Take Home Pay - By Weeks on Compensation"	"
116	Document entitled "Response to the Standing Committee on Resources Development on Commutations of W.C.B. Permanent Disability Life Pensions" prepared by Actuarial Services, W.C.B., dated June 14, 1983	June 15, 1983
117	Document entitled "The Insurance Industry - Fifth Report on Accident and Sickness Insurance" by the Select Committee on Company Law, dated 1981	"
118	Letter addressed to Mr. Wm. Barlow, Chairman from Wm. R. Kerr, Workers' Compensation Board with a submission entitled "The Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario" dated June 15, 1981	June 22, 1983
119	LEGISLATIVE RESEARCH SERVICE: Memorandum dated June 28, 1983 from Merike Madisso, Jerry Richmond, Research Officers, Legislative Research Service, re: Workers' Compensation Board.	July 4, 1983
120	LEGISLATIVE RESEARCH SERVICE: Background information dated July 1983 from Merike Madisso, Jerry Richmond, Research Officers, Legislative Research Service: Recommendations made within briefs and presentations on Workers' Compensation.	"

Exhibit No.	Title	Date Filed
121	LEGISLATIVE RESEARCH SERVICE: Background information: Proposed Organization of Report.	"
122	MINISTRY OF LABOUR: Memorandum dated June 30, 1983 from Andrew Richardson, Clerk, Standing Committee on Resources Development, with attached "Summary: Terence G. Ison, "Commentary on the Report, Reshaping Workers' Compensation for Ontario by Paul C. Weiler" ".	"
123	WORKERS' COMPENSATION BOARD: Memorandum dated June 30, 1983 to Bruce Neville, Actuarial Specialist, from Howard M. Iseman, Actuarial Analyst, re: Average Assessment Rates for B.C. in 1982 re: Construction and Mining.	"
124	WORKERS' COMPENSATION BOARD: Background information dated July 1, 1983 from D. Cain: "1983 Amendment Highlights".	July 5, 1983
125	LEGISLATIVE RESEARCH SERVICE: Letter dated 29 June 1983 from C.J. Stewart, Research and Information Officer, Saskatchewan Workers' Compensation Board, 1840 Lorne St., Saskatchewan S4P 2L8, to Jerry Richmond, Research Officer.	"
126	WORKERS' COMPENSATION BOARD: Report dated July 4, 1983 from Actuarial Services, W.C.B.: The Cost of Fully Funding One Year's New Claims Under The Current and Draft W.C.B. Acts.	"
127	WORKERS' COMPENSATION BOARD: Background information dated July 4, 1983 from Actuarial Services, W.C.B.: Revised Appendix A (4 pages) re: Exhibit No. 126.	July 6, 1983
128	LEGISLATIVE RESEARCH SERVICE: Background information dated July 7, 1983 from Merike Madisso and Jerry Richmond, Research Officers, Legislative Research Service: Options for Discussion re: Proposals 1, 2, 3, 4, 5, 6, 18, 19, 20.	July 7, 1983
129	ASSOCIATION OF INJURED WORKERS' GROUPS: Supplementary submission from the Association of Injured Workers' Group (AIWG) (11 pages).	July 11, 1983

Exhibit No.	Title	Date Filed
130	LEGISLATIVE RESEARCH SERVICE: Memorandum dated July 11, 1983 from Jerry Richmond, Research Officer, Legislative Research Service re: Rationale for statement in The White Paper, p.30.	"
131	LEGISLATIVE RESEARCH SERVICE: Memorandum dated July 11, 1983 from Jerry Richmond, Research Officer, Legislative Research Service re: Disability Rating.	"
132	WORKERS' COMPENSATION BOARD: Report dated July 11, 1983 from Actuarial Services, W.C.B.: Alternative Proposals Arising from the Standing Committee Meetings.	"
133	HACIO LIMITED: Submission dated July 5, 1983 from Victor Hacio, President, P.O. Box 1056, 1040 Gorham St., Thunder Bay P7C 4X8, to Mickey Hennessy, M.P.P.	July 12, 1983
134	INSCAN CONTRACTORS (ONTARIO) INS.: Submission dated July 5, 1983 from Shawn T. Tilson, 212 Wyecroft Road, Oakville L6K 3T9.	"
135	HORTON CBI, LIMITED: Submission dated July 6, 1983 from Leo Pasini, Vice President Construction, P.O. Box 601, Fort Erie L2A 5N4	"
136	R. TIMMS CONSTRUCTION AND ENGINEERING LIMITED: Submission with attachment, dated July 4, 1983 from R.H. Timms, P. Eng., President, Lincoln St. West, Box 305, Welland L3B 5P7.	"
137	WORKERS' COMPENSATION BOARD: Report dated July 12, 1983 from Actuarial Services, W.C.B. re: Average Indicated Rates for Schedule 1 (High Employment; Low Employment).	July 12, 1983
138	LEGISLATIVE RESEARCH SERVICE: Background information dated July 1983 from Merike Madisso and Jerry Richmond, Research Officers, Legislative Research Service: Options for Discussion re: The 21 Proposals of the White Paper.	July 13, 1983
139	L. FALLE: Letter dated June 23, 1983 from Leslie N. Falle, 785 Strand St., London N5Y 1T2, to Mrs. C. Henry, Claims Adjudicator, W.C.B.	"

Exhibit No.	Title	Date Filed
140	LEGISLATIVE RESEARCH SERVICE: Study dated January 1982 by Peter S. Barth: "Workers' Compensation and Asbestos in Ontario". For the Royal Commission on Matters of Health and Safety Arising from the Use of Asbestos in Ontario.	July 14, 1983
141	WORKERS' COMPENSATION BOARD: Report dated July 13, 1983 from Actuarial Services, W.C.B.: Survivor Benefits Under the Current and Draft W.C.B. Act.	July 15, 1983
142	J. ENTWISTLE CONSTRUCTION LIMITED: Submission dated July 5, 1983 from John G. Entwistle, President, 25 Cumberland St., P.O. Box 668, Cornwall K6H 5T5.	"
143	WORKERS' COMPENSATION BOARD: Report dated July 15, 1983 from Actuarial Services, W.C.B.: Further Proposals Arising From the Standing Committee Hearings.	"
	* * *	* * *
144	LEGISLATIVE RESEARCH SERVICE: Document entitled "Recommendations made within Briefs and Presentations on Workers' Compensation", prepared by Merike Madisso and Jerry Richmond, Research Officers, Legislative Research Service dated September, 1983.	Sept. 6, 1983
145	LEGISLATIVE RESEARCH SERVICE: Memorandum from Jerry Richmond, Research Officer, Legislative Research Service re: "Additional Item for Consideration under Proposal 4 - CPP/WCB Stacking", dated September 6, 1983.	"
146	LEGISLATIVE RESEARCH SERVICE: A selection of newspaper clippings that appeared on Workers' Compensation during the summer of 1983 from Jerry Richmond, Research Officer, Legislative Research Service dated September 6, 1983.	Sept. 6, 1983
147	LEGISLATIVE RESEARCH SERVICE: Document entitled "WCB - Draft Report Part 1" prepared by Merike Madisso and Jerry Richmond, Research Officers, Legislative Research Service dated September, 1983. (FOR DISCUSSION PURPOSES ONLY)	"

Exhibit No.	Title	Date Filed
148	WORKERS' COMPENSATION BOARD: A publication entitled "Schedule for Benefits for Chiropractors' Services" from Workers' Compensation Board dated July 1, 1982.	Sept. 8, 1983
149	WORKERS' COMPENSATION BOARD: A publication entitled "Schedule of Benefits for Dentists' Services" from Workers' Compensation Board dated April 1, 1983 to March 31, 1984.	"
150	WORKERS' COMPENSATION BOARD: A publication entitled "Schedule of Benefits for Physicians' Services" from Workers' Compensation Board dated April 1, 1983 to March 31, 1984.	"
151	WORKERS' COMPENSATION BOARD: Report entitled "Initial Evaluation of Regional Operations" dated April 16, 1982 from Doug Cain, Director, Claims Review Branch, W.C.B. with memorandum dated September 9, 1983.	Sept. 9, 1983
152	WORKERS' COMPENSATION BOARD: An analysis of the W.C.B. organizational structure with charts entitled "Mail Flow Chart", dated November 4th, 1982, "Lost Time Claims File Flow Chart", "Appeals Process - Chart 1" and Initial Adjudication Section - "Organizational Chart".	Sept. 14, 1983
153	WORKERS' COMPENSATION BOARD: Document entitled "Policy Statement on Administration of Section 43 (5)" dated June 3, 1983	"
154	WORKERS' COMPENSATION BOARD: "Report to the Standing Committee on Resources Development on the W.C.B. Unfunded Liability and the Impact on the Assessment Rates", prepared by Actuarial Services, dated September 14, 1983.	Sept. 16, 1983
155	LEGISLATIVE RESEARCH SERVICE: "Two tables requested by the Committee in connection with Proposal 1" prepared by Merike Madisso, Research Officer, Legislative Research Service dated November 9, 1983	Nov. 9, 1983
156	LEGISLATIVE RESEARCH SERVICE: Two press articles on "Proposed WCB Reforms in Quebec" from Merike Madisso and Jerry Richmond, Research Officers, Legislative Research Service dated November 18, 1983.	Nov. 23, 1983

APPENDIX E

COST ESTIMATES OF ONE YEAR'S SCHEDULE 1 NEW INJURIES IN 1983 DOLLARS, FOR PROVIDING THE BENEFITS OUTLINED IN THE REPORT PREPARED BY THE W.C.B.O. AND INCLUDED IN THE 1981 GOVERNMENT OF ONTARIO'S WHITE PAPER ON THE WORKERS' COMPENSATION ACT

Actuarial Services
December 7, 1983
File RD-49

EXHIBIT B1

COST ESTIMATES* OF ONE YEAR'S SCHEDULE 1 NEW INJURIES IN 1983 DOLLARS, FOR PROVIDING THE BENEFITS** OUTLINED IN THE REPORT PREPARED BY THE W.C.B.O. AND INCLUDED IN THE 1981 GOVERNMENT OF ONTARIO'S WHITE PAPER ON THE WORKERS' COMPENSATION ACT

($ millions)

				Incremental Cost versus Current System Fully Adjusted for Inflation						
	Current System	Current System Fully Adjusted For Inflation		Change to 175% Ceiling & 90% Net		add Wage Loss and CPP Offset		add Lump Sums		RESHAPED SYSTEM (Ceiling @175%)
	(1)	(2)	+	(3A)	+	(3B)	+	(3C)	=	(4)
HIGH EMPLOYMENT BASIS										
Temporary	290	305		21		0		0		326
Permanent	166	342		-14		-212<-->246		43		159<-->617
Survivors	15	30		15		-15		6		36
Medical Aid	101	101		0		0		0		101
TOTAL	572	778		22		-227<-->231		49		622<-->1080
LOW EMPLOYMENT BASIS										
Temporary	309	325		23		0		0		348
Permanent	186	384		-14		-238<-->279		49		181<-->698
Survivors	12	26		13		-13		5		31
Medical Aid	101	101		0		0		0		101
TOTAL	608	836		22		-251<-->258		54		661<-->1178

*** THE NOTES TO THE EXHIBITS ARE AN INTEGRAL PART OF THESE RESULTS.**
**Adjusted for the ceiling as noted in Columns 3A and 4.

Actuarial Services
December 7, 1983
RD-49

EXHIBIT B4

COST ESTIMATES* OF ONE YEAR'S SCHEDULE 1 NEW INJURIES IN 1983 DOLLARS, FOR PROVIDING THE BENEFITS** OUTLINED IN THE REPORT PREPARED BY THE W.C.B.O. AND INCLUDED IN THE 1981 GOVERNMENT OF ONTARIO'S WHITE PAPER ON THE WORKERS' COMPENSATION ACT

($ million)

HIGH EMPLOYMENT BASIS

	Current System (1)	Current System Fully Adjusted For Inflation (2)	+	Incremental Cost versus Current System Fully Adjusted for Inflation					=	RESHAPED SYSTEM (Ceiling @200%) (4)
				Change to 200% Ceiling & 90% Net (3A)	+	add Wage Loss and CPP Offset (3B)	+	add Lump Sums (3C)		
Temporary	290	305		26		0		0		331
Permanent	166	342		-8		-202<-->274		50		182<-->658
Survivors	15	30		17		-16		7		38
Medical Aid	101	101		0		0		0		101
TOTAL	572	778		35		-218<-->258		57		652<-->1128

LOW EMPLOYMENT BASIS

	Current System (1)	Current System Fully Adjusted For Inflation (2)	Change to 200% Ceiling & 90% Net (3A)	add Wage Loss and CPP Offset (3B)	add Lump Sums (3C)	RESHAPED SYSTEM (Ceiling @200%) (4)
Temporary	309	325	29	0	0	354
Permanent	186	384	-7	-225<-->312	56	208<-->745
Survivors	12	26	14	-14	6	32
Medical Aid	101	101	0	0	0	101
TOTAL	608	836	36	-239<-->298	62	695<-->1232

* **THE NOTES TO THE EXHIBITS ARE AN INTEGRAL PART OF THESE RESULTS.**

**Adjusted for the ceiling as noted in columns 3A and 4.

Actuarial Services
December 7, 1983
File RD-49

Notes to the Exhibits

These notes are an integral part of Exhibit B1 and B2.

a) These exhibits are an update to Exhibit B in the Actuarial Report included in the Government of Ontario's "White Paper on the Workers' Compensation Act". The benefits costed are those outlined in the Actuarial Report adjusted for the change in earnings ceiling from 250% of the average industrial wage to 175% and 200%.

b) These exhibits also reflect changes in our assumptions with regard to workforces, duration on claim and treatment of wage loss. These changes were needed because:

I The 1982 reduction in Ontario's employed workforce

In 1982 the reduction in the employed workforce resulted in a reduction in new claim volumes. However this was not accompanied by a reduction in benefits paid to injured workers due to the increased time injured workers stayed on benefit.

Thus, as the outlook for employed workforces in Ontario is not clear, we have prepared updated cost estimates on two assumptions:-

1. Gradual increase in the employed workforce (HIGH EMPLOYMENT)
2. Constant employed workforce (LOW EMPLOYMENT)

II Entitlement to Permanent Disability Wage Loss Benefits

Whereas, we used one assumption for costing this proposal in the White Paper, the uncertainties surrounding this proposal have led us to prepare updated cost estimates upon two assumptions:-

1. Nil wage loss benefits for the permanently disabled unemployed injured worker.
2. Full wage loss benefits for the permanently disabled unemployed injured worker.

c) For a complete understanding of these updated cost estimates it is necessary to refer to the Actuarial report at the end of the White Paper.

d) Except as already noted, these updated cost estimates have been prepared using actuarial methods, assumptions and data that are consistant with those used in our White Paper report. In this regard, the assumptions and data reflect the experience to the end of 1982 rather than 1980.

e) One exception to our observation that we used experience to the end of 1982 is our assumptions and data on how many permanently disabled injured workers are unemployed. Specifically this data was obtained in late 1981 when general unemployment levels in Ontario were 6.5%.

f) Our unemployment assumptions have been set independantly of general levels of unemployment. Thus if general levels of unemployment continue at 11.2% (May, 1983) the range in our LOW EMPLOYMENT cost estimates may be too narrow.

g) In reviewing the results in Exhibit B in the White Paper it was inappropriate to examine individual incremental costs, because the proposals are highly interdependent.

h) Note g) does no apply to Exhibits B1 and B2 as we have grouped the interdependent proposals.

i) There are items in the draft legislation outlined in the White Paper as first published in 1981 and the revised draft legislation included in the recently republished White Paper, which have not been costed. Similarily, there are recommendations in the Standing Committee Report which have not been costed. Examples of items which have not been costed are:

   1) the change from paying wage loss benefits "until the worker attains the age of 65" to "until the worker retires"

   2) maintenance of the worker's fringe benefits other than retirement benefits

   3) the change in the calculation of gross earnings for wage loss benefits plus the consideration of a "salary grid",

   4) the use of recurrence wages for long term wage loss benefits,

   5) the upgrade in the current disability rating schedule for payment of lump sums,

   6) the impact of requiring employers to rehire injured workers.

i) cont'd...

   7) the impact of how long workers stay on benefit as a result of changes in the level and type of benefits provided.

   All of the above have a potential cost impact which can be quantified once the draft legislation has been made more explicit and specific policies interpreting the legislation have been developed. However, the overall range on these cost estimates of one year's new injuries for the reshaped system are probably wide enough to encompass the items which have not been costed.

j) The Standing Committee's recommendations on existing injuries are significantly different from those used to prepare the cost estimates in Exhibit A of the White Paper. Thus as these changes need extensive analyses and clarification, it has not been possible at this time to prepare cost estimates for existing injuries.

APPENDIX F

Section 36 of the Workers' Compensation Act
as Drafted by the Association of Injured Workers' Groups

36. (1) The Board shall take such measures and make such payments as are necessary to assist an injured worker,

  (a) in returning to suitable work;

  (b) in lessening or removing any handicap resulting from the injury;

  (c) in returning to a normal family and social life;

  (d) in achieving non-institutional accommodation and to facilitate the injured worker's participation in community activities by:

    (i) appropriate modification to the injured worker's principal residence;

    (ii) providing mobility through modification of the injured worker's vehicle;

    (iii) supplying appropriate assistive devices, prosthetic appliance adaptations and attachments.

(2) In exercising the functions required of it by subsection (1), and without limiting the generality of that subsection, the Board may,

  (a) organise and provide vocational rehabilitation services;

  (b) develop, support and promote the activities of professionals in the field of health establishments, and of any other organisation dealing with vocational rehabilitation, and cooperate with them;

  (c) assess the services available for vocational rehabilitation and their efficiency;

  (d) cause research to be carried out on new vocational rehabilitation methods;

  (e) see to the effectiveness of the vocational rehabilitation measures and bring about the appropriate corrections;

  (f) distribute information on vocational rehabilitation;

  (g) facilitate the access of the worker to vocational rehabilitation;

  (h) ensure that workers suffering from an injury have access to vocational consultation services, to favour reintegration into the level of vocational functions held before the injury;

APPENDIX F cont'd

(i) ensure financial assistance is made available to the injured workers where the Board deems it useful or necessary for reintegration into work, during a period of training, education or apprenticeship or in other cases it determines by regulation;

(j) aid in the adaptation of the worker's principal residence where the nature and permanence of the injury necessitates modification to enable the injured worker to engage in homebound employment;

(k) aid in the adaptation of a workplace to meet the needs of the injured worker where the nature and permanence of the injury might otherwise preclude the injured worker from obtaining and or retaining that employment;

(l) arrange for the provision of financial counselling, upon request, for those injured workers in receipt of permanent impairment awards.

(3) Where it appears to the Board that a worker has developed a condition which may worsen if the worker is not removed, either permanently or temporarily from the effects of a substance or process, the worker shall be eligible for all the benefits and assistance described in this Section.

(4) Where it appears to the Board to be demonstrably unreasonable to assist the injured worker to return to suitable work after reasonable efforts to do so, the Board may assist the injured worker in returning to work which the injured worker can reasonably be expected to perform without undue risk of further injury or recurrence of any disability.

(5) Where in the opinion of the Board it is demonstrably unreasonable to assist the injured worker to return to any form of work, after reasonable efforts to do so, the Board shall advise the injured worker of its decision in writing and the injured worker shall be eligible for the benefits described in Section (dealing with permanent disability).

MATERIAL CITED IN FOOTNOTES

Footnote Item #1

Legislative Library,
Research and
Information Services

Legislative
Research
Service

Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A2
(416) 965-3637

#256/83-84/ppm

November 9, 1983.

MEMORANDUM TO: Members of Standing Committee on Resources Development.

FROM: Merike Madisso, Research Officer, Legislative Research Service.

RE: Workers' Compensation.

Please find attached two tables requested by the Committee in connection with Proposal 1. The tables demonstrate the impact of "90% of net" on the earnings of workers earning more than ceilings established at 175% of the AIW and 200% of the AIW.

M. Madisso

Merike Madisso,
Research Officer,
Legislative Research Service.

MM/ppm

TABLE 1

90% OF NET INCOME FOR MARRIED WORKER CLAIMING SPOUSE AND TWO CHILDREN AS DEPENDENTS (ONTARIO 1982*), WITH EARNINGS CEILING OF 175% OF AIW ($35,000)

(These data reflect 1982 income tax rates, the employment expense deduction, family allowance receipts, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Cumulative % of Lost Time Claims	Gross Earnings (in $5,000 increments)	Net Income[a]	90% of Net Income	% of Net Income Covered
	20,000	16,964.04	15,267.63	90%
77.7%[b]	25,000	20,443.52	18,399.17	90%
90.7%	30,000	23,698.62	21,328.76	90%
96.0%	35,000	26,848.62	24,163.76	90%
97.9%	40,000	29,974.11	24,163.76	81%
98.7%	45,000	32,754.11	24,163.76	74%
99.0%	50,000	35,734.11	24,163.76	68%
99.5% (over $50,000 gross earnings)				

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

[b] That is, 77.7% of lost time claims are made by workers earning under $25,000.

* Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

TABLE 2

90% OF NET INCOME FOR MARRIED WORKER CLAIMING SPOUSE AND TWO CHILDREN AS DEPENDENTS (ONTARIO 1982*), WITH EARNINGS CEILING OF 200% OF AIW ($40,000)

(These data reflect 1982 income tax rates, the employment expense deduction, family allowance receipts, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Cumulative % of Lost Time Claims	Gross Earnings (in $5,000 increments)	Net Income[a]	90% of Net Income	% of Net Income Covered
	20,000	16,964.04	15,267.63	90%
77.7%[b]	25,000	20,443.52	18,399.17	90%
90.7%	30,000	23,698.62	21,328.76	90%
96.0%	35,000	26,848.62	24,163.76	90%
97.9%	40,000	29,974.11	26,976.69	90%
98.7%	45,000	32,754.11	26,976.69	82%
99.0%	50,000	35,734.11	26,976.69	75%
99.5% (over $50,000 gross earnings)				

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

[b] That is, 77.7% of lost time claims are made by workers earning under $25,000.

* Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

To: Members of Standing Committee on Resources
Development - Workers' Compensation Hearings.

Footnote Item #2

#035/83-84/ppm
Jerry Richmond,
Research Officer,
Legislative Research Ser.

Distribution of Workers' Compensation Board Lost Time Claims by Annual Wage of Claimants - 1982*

ANNUAL WAGE	NO. OF LOST TIME CLAIMS	% OF TOTAL	CUMULATIVE PERCENTAGE GOING UP ANNUAL WAGE LEVEL
$5,000 and less	3,325	2.4	2.4
$5,000 - $9,999	13,638	9.9	12.3 (i.e., 12.3% of claimants have annual wages below $10,000)
$10,000 -$14,999	24,389	17.8	30.1
$15,000 -$19,999	31,970	23.4	53.5
$20,000 -$24,999	33,051	24.2	77.7
$25,000 -$29,999	17,905	13.0	90.7
$30,000 -$34,999	7,270	5.3	96.0
$35,000 -$39,999	2,622	1.9	97.9
$40,000 -$44,999	1,134	.8	98.7
$45,000 -$49,999	459	.3	99.0
over $50,000	734	.5	99.5[b]
	136,694[a]		

- For 1982 weighted average annual wage for claimants was: $19,605.
- Of the total number of claimants an estimated 73.7 percent were below the current earnings ceiling of $24,200 and 26.3 percent were above this ceiling.

[a] Includes employee lost-time claims (135,269) and personal coverage/owner claims (1,425). For 197 claims of the total of 136,694, annual wage information was not available since these wages exceeded the coverage ceiling.

[b] Since annual wage information was not available for 197 claims and due to rounding, this figure does not equal 100 percent.

* The computations in this table are based upon raw data provided by the Workers' Compensation Board.

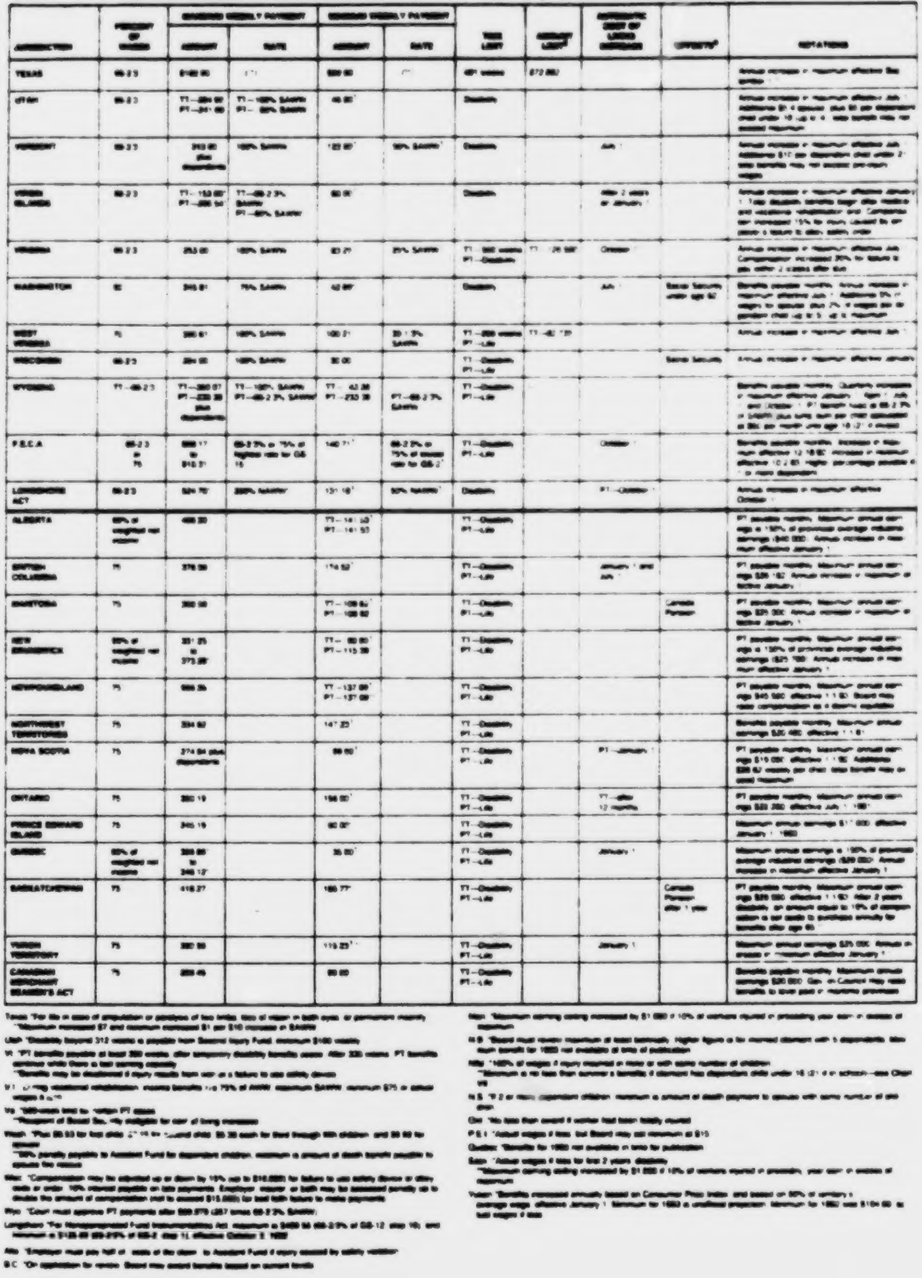
Footnote Item #3*

INCOME BENEFITS FOR PERMANENT AND TEMPORARY TOTAL DISABILITY: CHART V

Income or cash benefits payable under either temporary total or permanent total disability are shown in Chart V. For computing weekly benefit payments, a formula—expressed as a percentage of wage—is used. In most states limitations are placed on maximum and minimum benefits payable weekly; some states also limit the total number of weeks and total dollar amount of benefit eligibility. Where there is permanent total disability most states provide payments extending through the employee's lifetime.

For either temporary total or permanent total disability the wage-replacement percentage in each jurisdiction is the same. However, in permanent total disability cases the time limits tend to be longer and the total dollar amounts higher than in cases of temporary total disability. Some states provide additional amounts for dependents and other benefits. Allowances for dependents are charted as a range in the Maximum Weekly Payment and Notations columns.

CHART V ☐ INCOME BENEFITS FOR TOTAL DISABILITY ☐ January 1, 1983 (continued)



* Source: U.S. Chamber of Commerce, Analysis of Workers' Compensation Laws 1983, Chart V.

Footnote Item #4

REPORT TO THE STANDING COMMITTEE ON RESOURCE DEVELOPMENT

The Committee has asked for

1 What is the expected average Assessment Rate if maximum is 250% of A.I.W.?

2 What would be the cost of the programme under the White Paper and the anticipated average Assessment Rates for a variety of industries if:

(a) maximum was at 175% of A.I.W.?

(b) maximum commenced at 175% and moved upward each year in 5% increments to 200% over 5 years?

(c) maximum commenced at 175% and moved upward each year in 25% increments to 250% over 3 years?

(d) same as (c) but in the 4th year there would be no maximum?

General Observation

1 As the results for a 175% ceiling and a 250% ceiling are quite close, we have not priced the other alternatives.

2 Regarding observation 1. it should be noted tht we have assumed that the level of the earnings ceiling will have no influence upon allowed claim volumes or the time an injured worker stays on benefit.

Actuarial Services
July 12, 1983
File: RD-49

AVERAGE INDICATED RATES FOR SCHEDULE 1

HIGH EMPLOYMENT

TABLE 1

	Ceiling	Assessable Payroll (Billions)	Costs (Millions) New Claims	Costs (Millions) Other	Costs (Millions) Total	Average Rate %
Current System						
- Effective '83 rates applied to high employment	22,200 (115%)	44.272	487	453	940	2.127
- '83 rates restated to reflect present methods, assumptions and data	25,500 (130%)	46.757	572	469	1,041	2.226
White Paper (250% AIW)						
- Nil benefits re permanently disabled unemployed	49,000 (250%)	50.396	674	488	1,162	2.306
- Full benefits re permanently disabled unemployed	49,000	50.396	1,156	503	1,659	3.292
White Paper (175% AIW)						
- Nil benefits re permanently disabled unemployed	35,000 (175%)	49.801	622	488	1,110	2.229
- Full benefits re permanently disabled unemployed	35,000	49.801	1,080	503	1,583	3.179

Actuarial Services
July 12, 1983
File: RD-49

AVERAGE INDICATED RATES FOR SCHEDULE 1

LOW EMPLOYMENT

TABLE 2

	Ceiling	Assessable Payroll (Billions)	Costs (Millions)			Average Rate %
			New Claims	Other	Total	
Current System						
- Effective '83 rates applied to low employment	22,200 (115%)	42.291	447	411	858	2.029
- '83 rates restated to reflect present methods, assumptions and data	25,500 (130%)	44.627	608	535	1,143	2.561
White Paper (250% AIW)						
- Nil benefits re permanently disabled unemployed	49,000 (250%)	48.029	718	575	1,293	2.693
- Full benefits re permanently disabled unemployed	49,000	48.029	1,262	591	1,853	3.859
White Paper (175% AIW)						
- Nil benefits re permanently disabled unemployed	35,000 (175%)	47.476	661	575	1,236	2.603
- Full benefits re permanently disabled unemployed	35,000	47.476	1,178	591	1,769	3.726

Actuarial Services
July 12, 1983
File: RD-49

METHODS, ASSUMPTIONS AND DATA

A All the Methods, Assumptions and Data outlined under General Observations 2, 3 and 4 of our July 4, 1983 report on:

"The Cost of Fully Funding
One Year's New Claims
Under the Current and Draft W.C.B. Acts"

B For systems priced without an allowance for adjustments to benefits for inflation include a charge equal to 20% of the deficit at the start of the year.

C For systems priced with an allowance for adjustments to benefits for inflation include a charge to amortize the deficit over 15 years via an annual charge that is a constant percentage of payroll rather than a constant dollar amount.

D Whereas it is premature to evaluate the impact of wage loss upon W.C.B. services, it is necessary to make an assumption. We have, therefore, solely for the purposes of these costings, assumed an increase of 25% over the current system.

Actuarial Services
July 12, 1983
File: RD-49

Footnote Item #5*

Earnings Ceiling

Both Professor Weiler's Report and the White Paper, in proposal number one, recommend that the ceiling for the calculation of covered earnings should be increased to 250 per cent of the average industrial wage in Ontario (approximately $40,000 in 1980). (Currently estimated at $50,000)

The Canadian Manufacturers' Association is fully in support of the use of a formula based on the provincial average industrial wage for calculating each year's ceiling. This eliminates the need for periodic adjustments to the legislation to lift ceilings currently expressed in dollar amounts.

However, given the very unhealthy economic climate, falling profits and precarious existence of Ontario's manufacturers, the Association cannot support such a drastic increase in the amount of the ceiling.

To leap from the present ceiling of $24,200 to a new one of over $50,000 is not only a dramatic one-step increase but could also be a financial blow which some companies could not survive. Therefore, the Association suggests that any new ceiling be phased in over a period of time. Moreover, we do not believe that a 250 per cent ceiling is warranted, especially in these economic times.

The CMA's recommendation, therefore, is that the new ceiling be phased in over five years in five per cent increments, beginning at 175 per cent and stopping at 200 per cent of Ontario's average industrial wage.

Before any new ceiling is legislated, many practical issues arise concerning the calculation of salary levels for seasonal and other workers. For this reason, the Association would recommend that Regulations be drafted and published so that the impact of a new ceiling can be better estimated.

* Source: Canadian Manufacturers' Association, Ontario Division, "A Submission to the Standing Committee on Resources Development Concerning Paul C. Weiler's Report "Reshaping Workers' Compensation for Ontario," and the Government White Paper on the Workers' Compensation Act." Presented May 4, 1983, pp. 3-4.

Footnote Item #6

DISTRIBUTION OF DURATION OF W.C.B. COMPENSATION CLAIMS

At the present time detailed information on duration on compensation of W.C.B. claimants is available for the year 1979. However, 1980, 1981 and 1982 information will be available by year end 1983.

The 1979 information is presented below, and it is considered fairly representative of the distribution which exists currently.

% Distribution of Duration of 1979 Settled Compensation Claims

Duration Calendar Days	%	Cumulative %
0 - 1 day	0.5%	0.5%
1 - 1.9 days	0.3%	0.8%
2 - 2.9 "	6.7%	7.5%
3 - 3.9 "	4.2%	11.7%
4 - 4.9 "	5.4%	17.1%
5 - 5.9 "	5.8%	22.9%
6 - 6.9 "	6.0%	28.9%
7 - 7.9 "	6.2%	35.1%
8 - 8.9 "	6.0%	41.1%
9 - 9.9 "	2.5%	43.6%
10 - 19.9 days	21.7%	65.3%
20 - 29.9 "	10.6%	75.9%
30 - 59.9 "	11.8%	87.7%
60 - 89.9 "	4.6%	92.3%
90 - 399.9 days	6.2%	98.5%
400 & over	1.5%	100.0%
	100.0%	

(Population Base) 151,565 -- Settled Lost Time Claims

Policy Planning Secretariat
June 10, 1983

Footnote Item #7

Ontario

Legislative Library,
Research and
Information Services

Legislative
Research
Service

Legislative Building
Queen's Park
Toronto, Ontario
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72/83-84/EEW

COMPARISON OF 90% OF NET AND 75% OF GROSS INCOME COMPUTATIONS - ONTARIO 1982*

Prepared for:

Standing Committee on
Resources Development -
Workers' Compensation
Hearings.

Prepared by:

Jerry Richmond,
Research Officer,
Legislative Research Service.

June 1983.

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* Projects prepared by the Legislative Research Service are designed in accordance with the requirements and instructions of the Committee making the request. The views expressed should not be regarded as those of the Legislative Research Service or of the individual preparing the project.

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Executive Summary 1

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TABLE 2: 90% of Net and 75% of Gross Income for Married Worker Claiming Spouse as Dependent - Ontario 1982

TABLE 3: 90% of Net and 75% of Gross Income for Married Worker Claiming Spouse and One Child (Under 18) as Dependents - Ontario 1982

TABLE 4: 90% of Net and 75% of Gross Income for Married Worker Claiming Spouse and Two Children (Under 18) as Dependents - Ontario 1982

TABLE 5: 90% of Net and 75% of Gross Income for Married Worker Claiming Spouse and Three Children (Under 18) as Dependents - Ontario 1982

TABLE 6: 90% of Net Income Expressed as a Percentage of Gross Income at Various Gross Earning Levels - Ontario 1982

TABLE 7: 90% of Net Income (Proposed) Expressed as a Ratio of 75% of Gross Income (Current) at Various Gross Earning Levels - Ontario 1982

Executive Summary

The enclosed tabular data compare the impact of applying either the "90% of Net Income" or "75% of Gross Income" computation to various earning levels below $40,000 for various tax dependent situations for the 1982 tax year. The enclosed computations do not apply a benefits ceiling (currently $24,200) to the computations. In general terms, these data demonstrate that workers in the lower earning levels would receive "richer" benefits under a "90% of net" computation rather than under "75% of gross" computation. Workers at higher earning levels would receive moderately lower benefits under a "90% of net" rather than "75% of gross" computation.

TABLE I

90% OF NET AND 75% OF GROSS INCOME FOR SINGLE WORKER WITH NO DEPENDENTS - ONTARIO 1982*

(These data reflect 1982 income tax rates, the employment expense deduction, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Gross Earnings (in $5000 increments)	Net Income[a]	90% of Net Income	75% of Gross Income
5000	4856.30	4370.67	3750.
10000	8621.88	7759.69	7500.
15000	12148.58	10933.72	11250.
20000	15638.01	14074.21	15000.
25000	18941.09	17046.98	18750.
30000	22091.09	19881.98	22500.
35000	25241.09	22716.98	26250.
40000	28085.06	25276.55	30000.

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

TABLE 2

90% OF NET AND 75% OF GROSS INCOME FOR MARRIED WORKER CLAIMING SPOUSE AS DEPENDENT - ONTARIO 1982*

(These data reflect 1982 income tax rates, the employment expense deduction, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Gross Earnings (in $5000 increments)	Net Income[a]	90% of Net Income	75% of Gross Income
5000	4856.30	4370.67	3750.
10000	9534.39	8580.95	7500.
15000	13223.11	11900.80	11250.
20000	16758.57	15082.71	15000.
25000	20207.23	18186.50	18750.
30000	23441.79	21097.61	22500.
35000	26591.79	23932.61	26250.
40000	29665.90	26699.31	30000.

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

TABLE 3

90% OF NET AND 75% OF GROSS INCOME FOR MARRIED WORKER CLAIMING SPOUSE AND ONE CHILD (UNDER 18) AS DEPENDENTS - ONTARIO 1982*

(These data reflect 1982 income tax rates, the employment expense deduction, family allowance receipts, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Gross Earnings (in $5000 increments)	Net Income[a]	90% of Net Income	75% of Gross Income
5000	4856.30	4370.67	3750.
10000	9562.71	8606.44	7500.
15000	13320.71	11988.64	11250.
20000	16861.31	15175.18	15000.
25000	20325.38	18292.84	18750.
30000	23570.21	21213.19	22500.
35000	26720.21	24048.19	26250.
40000	29820.00	26838.00	30000.

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

TABLE 4

90% OF NET AND 75% OF GROSS INCOME FOR MARRIED WORKER CLAIMING SPOUSE AND TWO CHILDREN (UNDER 18) AS DEPENDENTS - ONTARIO 1982*

(These data reflect 1982 income tax rates, the employment expense deduction, family allowance receipts, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Gross Earnings (in $5000 increments)	Net Income[a]	90% of Net Income	75% of Gross Income
5000	4856.30	4370.67	3750.
10000	9683.80	8715.42	7500.
15000	13416.73	12075.05	11250.
20000	16964.04	15267.63	15000.
25000	20443.52	18399.17	18750.
30000	23698.62	21328.76	22500.
35000	26848.62	24163.76	26250.
40000	29974.11	26976.69	30000.

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

TABLE 5

90% OF NET AND 75% OF GROSS INCOME FOR MARRIED WORKER CLAIMING SPOUSE AND THREE CHILDREN (UNDER 18) AS DEPENDENTS - ONTARIO 1982*

(These data reflect 1982 income tax rates, the employment expense deduction, family allowance receipts, applicable personal and other standard deductions, and CPP and UIC contribution levels)

Gross Earnings (in $5000 increments)	Net Income[a]	90% of Net Income	75% of Gross Income
5000	4856.30	4370.67	3750.
10000	9683.80	8715.42	7500.
15000	13509.19	12158.27	11250.
20000	17066.78	15360.10	15000.
25000	20561.67	18505.50	18750.
30000	23827.04	21444.33	22500.
35000	26977.05	24279.34	26250.
40000	30127.05	27114.34	30000.

[a] In practice, however, actual "take home pay" may be less than this because of other miscellaneous deductions such as union or association dues, supplementary pension plan contributions, and other benefit deductions. Since these deductions vary drastically among workers there is no standard way of including these amounts.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

TABLE 6

90% OF NET INCOME EXPRESSED AS A PERCENTAGE OF GROSS INCOME AT VARIOUS GROSS EARNING LEVELS - ONTARIO 1982*

(These data reflect 1982 income tax rates and CPP and UIC contribution levels and other standard tax deductions)

NOTE: Solid Line delineates division (above) where worker would get more than 75% of gross and (below) where worker would get less than 75% of gross income.

Gross Earnings (in $1000 increments)	90% of Net Income Expressed As % of Gross Income for Various Tax Exemption Categories				
	Single worker with no dependents	Married worker claiming spouse as dependent	Married worker claiming spouse and 1 child (under 18) as dependent	Married worker claiming spouse and 2 children (under 18) as dependents	Married worker claiming spouse and 3 children (under 18) as dependents
1000	88.51	88.51	88.51	88.51	88.51
2000	88.19	88.19	88.19	88.19	88.19
3000	87.76	87.76	87.76	87.76	87.76
4000	87.54	87.54	87.54	87.54	87.54
5000	87.41	87.41	87.41	87.41	87.41
6000	86.91	87.33	87.33	87.33	87.33
7000	82.93	87.27	87.27	87.27	87.27
8000	80.78	87.22	87.22	87.22	87.22
9000	79.06	87.18	87.18	87.18	87.18
10000	77.60	85.81	86.06	87.15	87.15
11000	76.40	84.71	85.42	85.75	85.98
12000	75.31	83.12	83.78	84.44	85.09
13000	74.38	81.69	82.33	82.97	83.60
14000	73.58	80.46	81.05	81.65	82.24
15000	72.89	79.34	79.92	80.50	81.06
16000	72.27	78.33	78.88	79.43	79.98
17000	71.68	77.46	77.98	78.50	79.01
18000	71.16	76.69	77.18	77.67	78.16
19000	70.74	76.05	76.51	76.97	77.44
20000	70.37	75.41	75.88	76.34	76.80
21000	69.90	74.84	75.28	75.72	76.16
22000	69.42	74.32	74.74	75.16	75.58
23000	68.98	73.84	74.24	74.65	75.05
24000	68.58	73.30	73.75	74.18	74.56
25000	68.19	72.75	73.17	73.60	74.02
26000	67.75	72.23	72.64	73.05	73.46
27000	67.34	71.75	72.15	72.54	72.94
28000	66.96	71.30	71.69	72.07	72.45
29000	66.60	70.80	71.19	71.59	71.99
30000	66.27	70.33	70.71	71.10	71.48
31000	65.96	69.89	70.26	70.63	71.00
32000	65.67	69.47	69.83	70.20	70.56
33000	65.40	69.09	69.44	69.79	70.14
34000	65.15	68.72	69.06	69.40	69.74
35000	64.91	68.38	68.71	69.04	69.37
36000	64.65	68.05	68.38	68.70	69.02
37000	64.26	67.75	68.06	68.37	68.68
38000	63.88	67.46	67.76	68.07	68.37
39000	63.53	67.18	67.48	67.77	68.07
40000	63.19	66.75	67.09	67.44	67.79

Interpretation: Where these numbers are greater than 75, i.e., generally for the lower gross income levels, a worker would get more under a 90% of net income system than under under a 75% of gross income system.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

90% OF NET INCOME (PROPOSED) EXPRESSED AS A RATIO OF 75% OF GROSS INCOME (CURRENT) AT VARIOUS GROSS EARNING LEVELS - ONTARIO 1982*

(These data reflect 1982 income tax rates and CPP and UIC contribution levels and other standard tax deductions)

Gross Earnings (in $1000 increments)	90% Net/75% Income Ratio for Various Tax Exemption Categories				
	Single worker with no dependents	Married worker claiming spouse as dependent	Married worker claiming spouse and 1 child (under 18) as dependent	Married worker claiming spouse and 2 children (under 18) as dependents	Married worker claiming spouse and 3 children (under 18) as dependents
1000	1.180	1.180	1.180	1.180	1.180
2000	1.176	1.176	1.176	1.176	1.176
3000	1.170	1.170	1.170	1.170	1.170
4000	1.167	1.167	1.167	1.167	1.167
5000	1.166	1.166	1.166	1.166	1.166
6000	1.159	1.164	1.164	1.164	1.164
7000	1.106	1.164	1.164	1.164	1.164
8000	1.077	1.163	1.163	1.163	1.163
9000	1.054	1.162	1.162	1.162	1.162
10000	1.035	1.144	1.148	1.162	1.162
11000	1.019	1.129	1.139	1.143	1.146
12000	1.004	1.108	1.117	1.126	1.135
13000	0.992	1.089	1.098	1.106	1.115
14000	0.981	1.073	1.081	1.089	1.097
15000	0.972	1.058	1.066	1.073	1.081
16000	0.964	1.044	1.052	1.059	1.066
17000	0.956	1.033	1.040	1.047	1.053
18000	0.949	1.023	1.029	1.036	1.042
19000	0.943	1.014	1.020	1.026	1.032
20000	0.938	1.006	1.012	1.018	1.024
21000	0.932	0.998	1.004	1.010	1.015
22000	0.926	0.991	0.997	1.002	1.008
23000	0.920	0.985	0.990	0.995	1.001
24000	0.914	0.977	0.983	0.989	0.994
25000	0.909	0.970	0.976	0.981	0.987
26000	0.903	0.963	0.969	0.974	0.979
27000	0.898	0.957	0.962	0.967	0.972
28000	0.893	0.951	0.956	0.961	0.966
29000	0.888	0.944	0.949	0.955	0.960
30000	0.884	0.938	0.943	0.948	0.953
31000	0.870	0.932	0.937	0.942	0.947
32000	0.876	0.926	0.931	0.936	0.941
33000	0.872	0.921	0.926	0.930	0.935
34000	0.869	0.916	0.921	0.925	0.930
35000	0.865	0.912	0.916	0.921	0.925
36000	0.862	0.907	0.912	0.916	0.920
37000	0.857	0.903	0.907	0.912	0.916
38000	0.852	0.899	0.903	0.908	0.912
39000	0.847	0.896	0.900	0.904	0.908
40000	0.843	0.890	0.899	0.899	0.904

Interpretation: Where the ratio is greater than 1 a worker would receive "richer" benefits under the 90% of net vs. 75% of gross income system. Conversely where the ratio is less than 1 a worker would receive lower benefits under the 90% of net vs. 75% of gross income system (see dividing line on table). This table therefore demonstrates that workers at the lower income levels would receive increased benefits under a 90% of net scheme while workers at the higher income levels would receive moderately lower benefits.

*Based upon statistical information provided by Actuarial Services, Workers' Compensation Board.

Footnote Item #8

REPORT TO THE STANDING COMMITTEE
ON RESOURCES DEVELOPMENT
ON
"COMBINED TAKE-HOME PAY BY WEEKS ON COMPENSATION"

The Committee requested that the charts on "Combined Take-Home Pay By Weeks On Compensation" be prepared for a worker at income levels of $12,500, $15,000, $20,000, $25,000 and $30,000 with a spouse and one child, two children and three children.

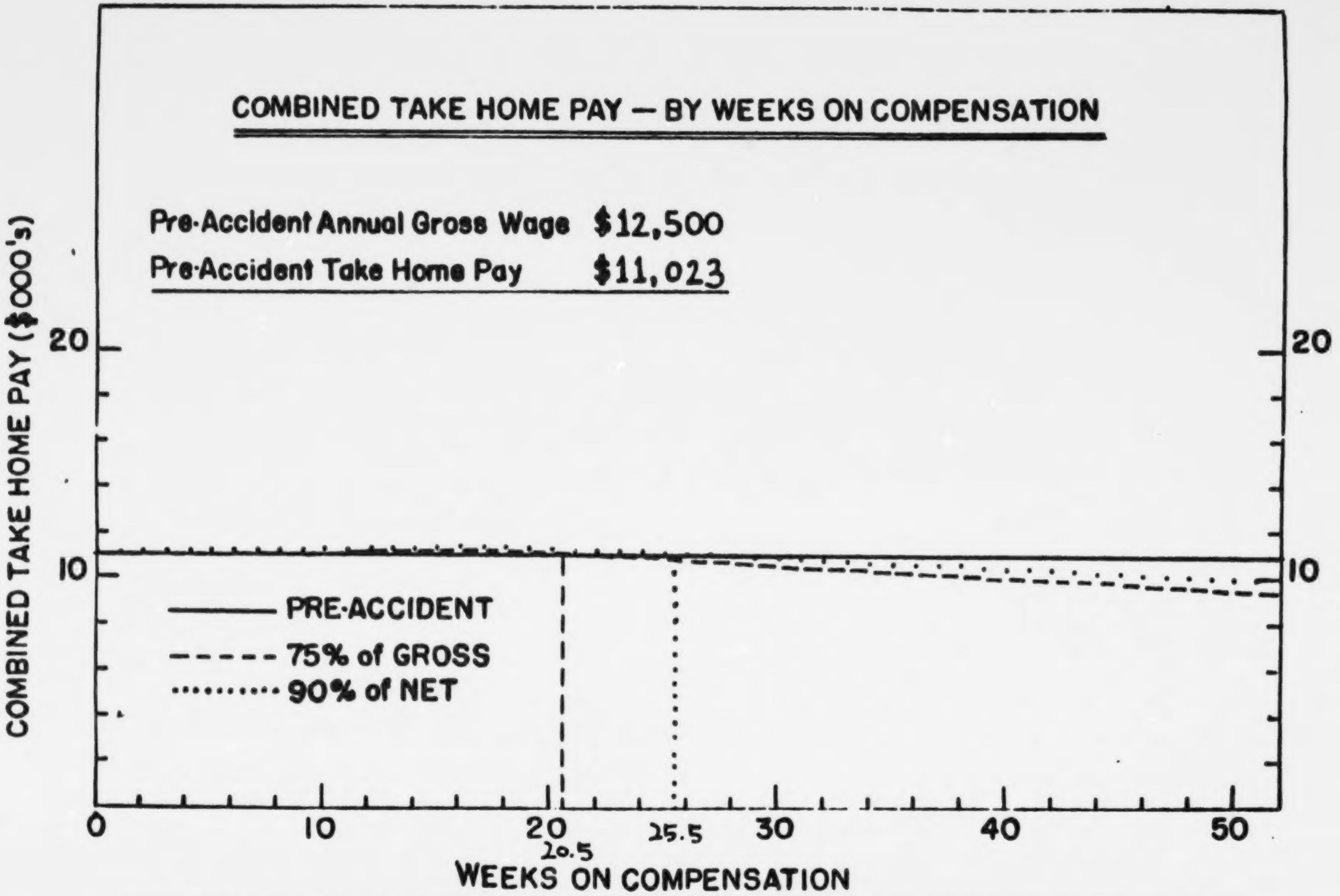
We have prepared the charts at all the income levels requested for a worker with a spouse and one child. The chart for a worker with a spouse and three children with an income of $20,000 was also prepared (see chart 3B). The chart for a worker earning $20,000 with a spouse and no dependent children (chart 3A) is hardly distinguishable from the chart of a similar worker with a spouse and three dependent children (chart 3B). This is because the worker earning $20,000 a year with three dependent children only increases his take home pay by slightly more than $5.00 per week or $272 per year over the take-home pay of an equivalent worker with a spouse but no dependent children.

This is a consequence of the small effect dependent children have on the income tax paid by the worker. The worker who claims a child as a deduction for income tax is required, by law, to include the family allowance paid for that child in income for the purpose of paying income tax. A child deduction in 1981 of $590.00 is offset by additional family allownace income of $287.52 for income tax purposes. Thus the net deduction per child is only $302.48 for determining taxable income. The tax payable on this amount is less than $2.00 per week.

The charts for any earnings level for either 0, 1, 2 or 3 children are also barely distinguishable from one another. The shape of the curves do not change significantly.

These charts of "Combined Take-Home Pay By Weeks On Compensation" show the effect that the marginal tax rates would have on the above situations. For example, assuming the lost time due to injury was 60 days, it can be seen from the charts that the "combined take-home pay" of an injured worker who was on compensation for 12 weeks is greater for all earnings levels on both the "75% of Gross" and "90% of net" bases. The attached tables illustrate the situation for both, at all earning levels, for an injured worker on compensation for 12 weeks (60 days), 18 weeks (90 days) and 26 weeks (six months).

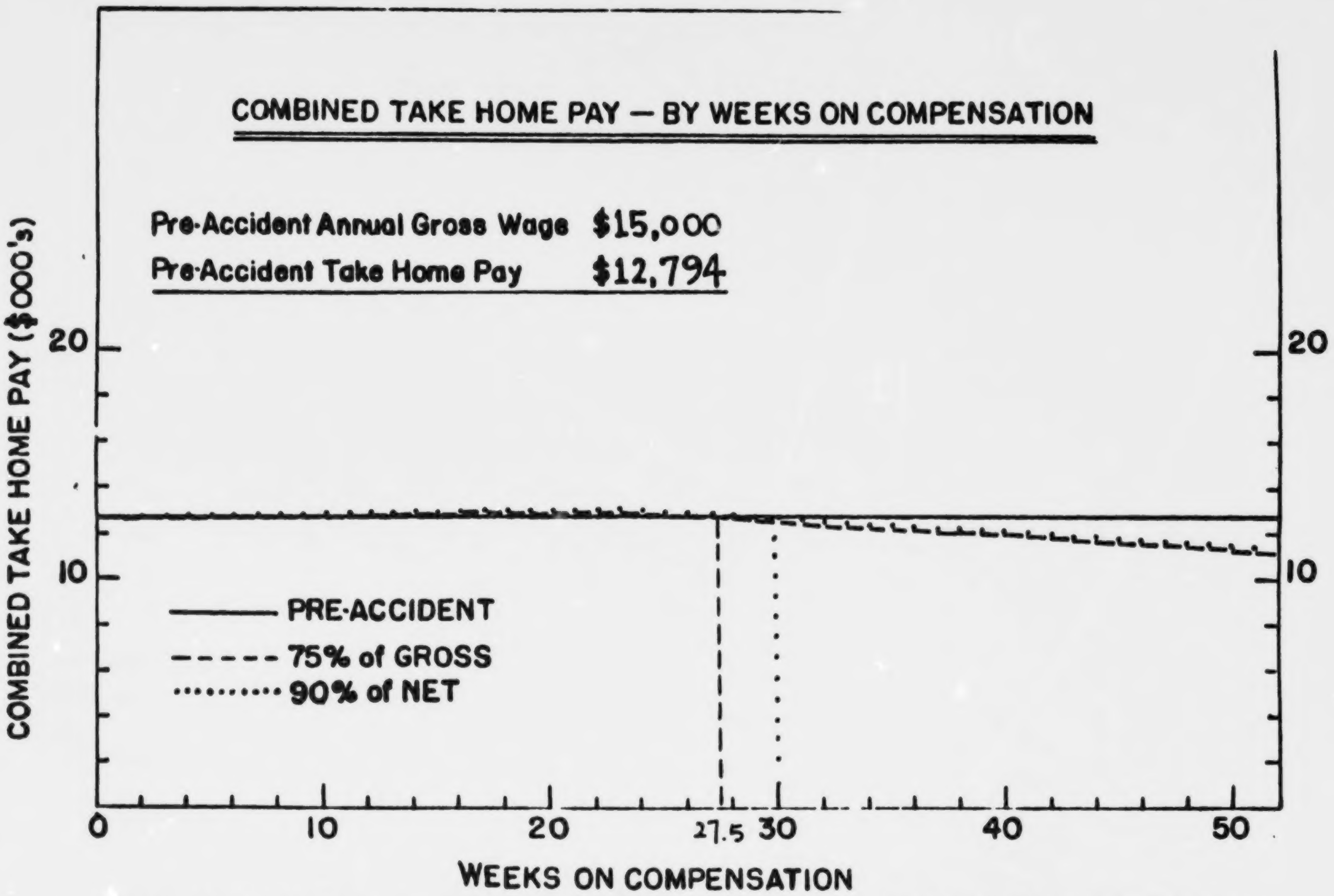
Actuarial Services
June 17, 1983
File: RD-32



COMBINED TAKE HOME PAY — BY WEEKS ON COMPENSATION

1981 ONTARIO TAX RATES — WORKER WITH SPOUSE, NO DEPENDENT CHILDREN

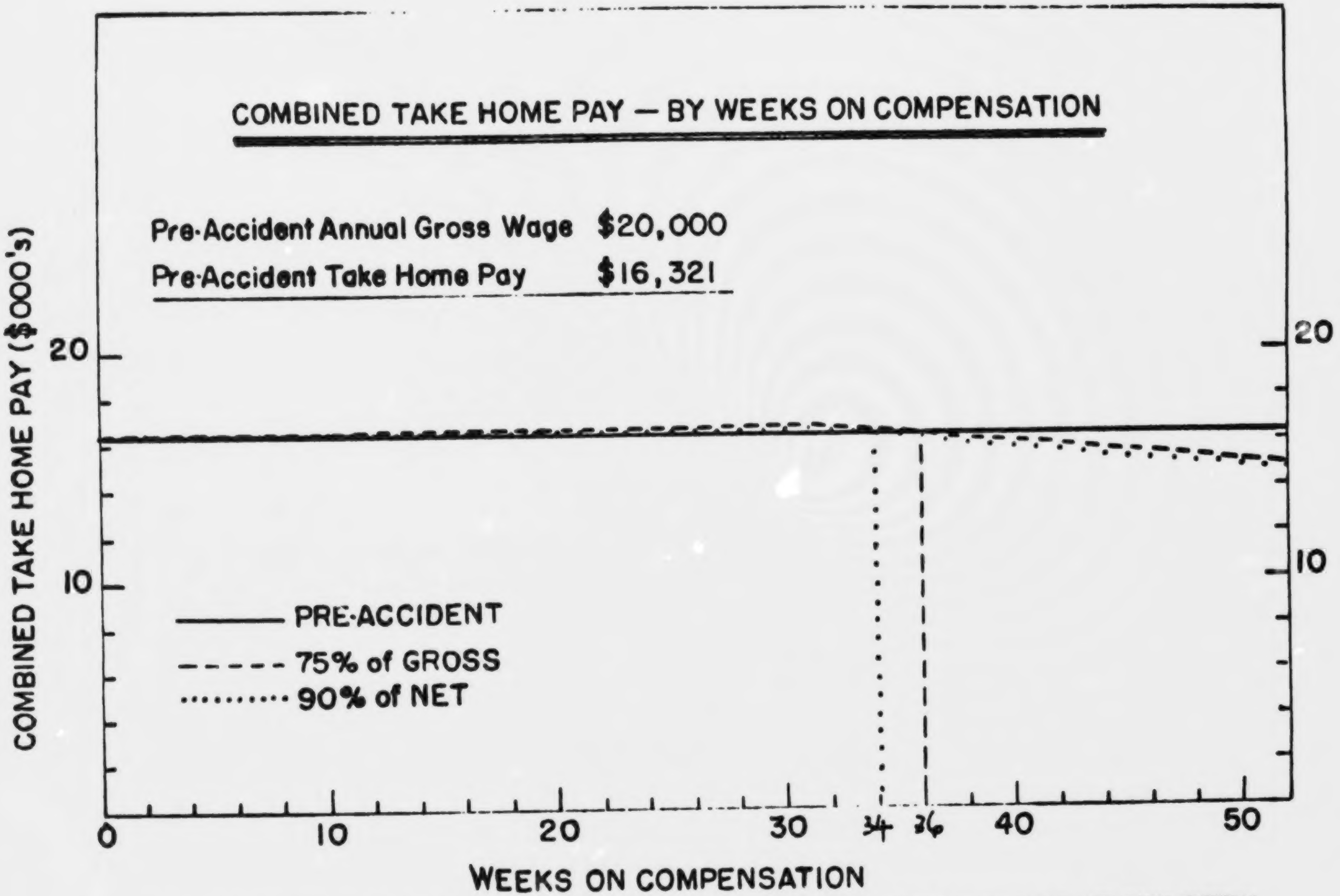
#1



COMBINED TAKE HOME PAY — BY WEEKS ON COMPENSATION

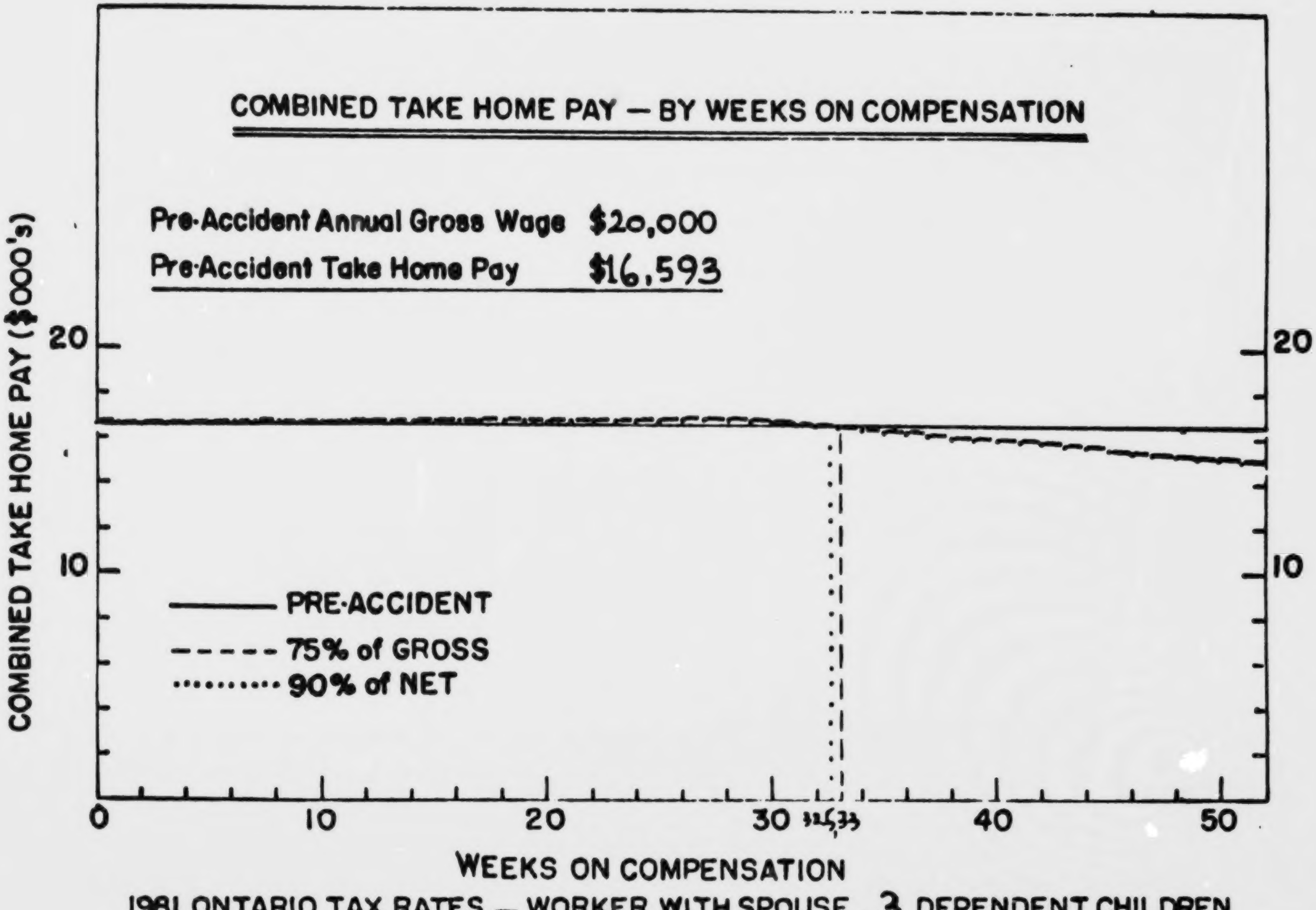
1981 ONTARIO TAX RATES — WORKER WITH SPOUSE, NO DEPENDENT CHILDREN

*2



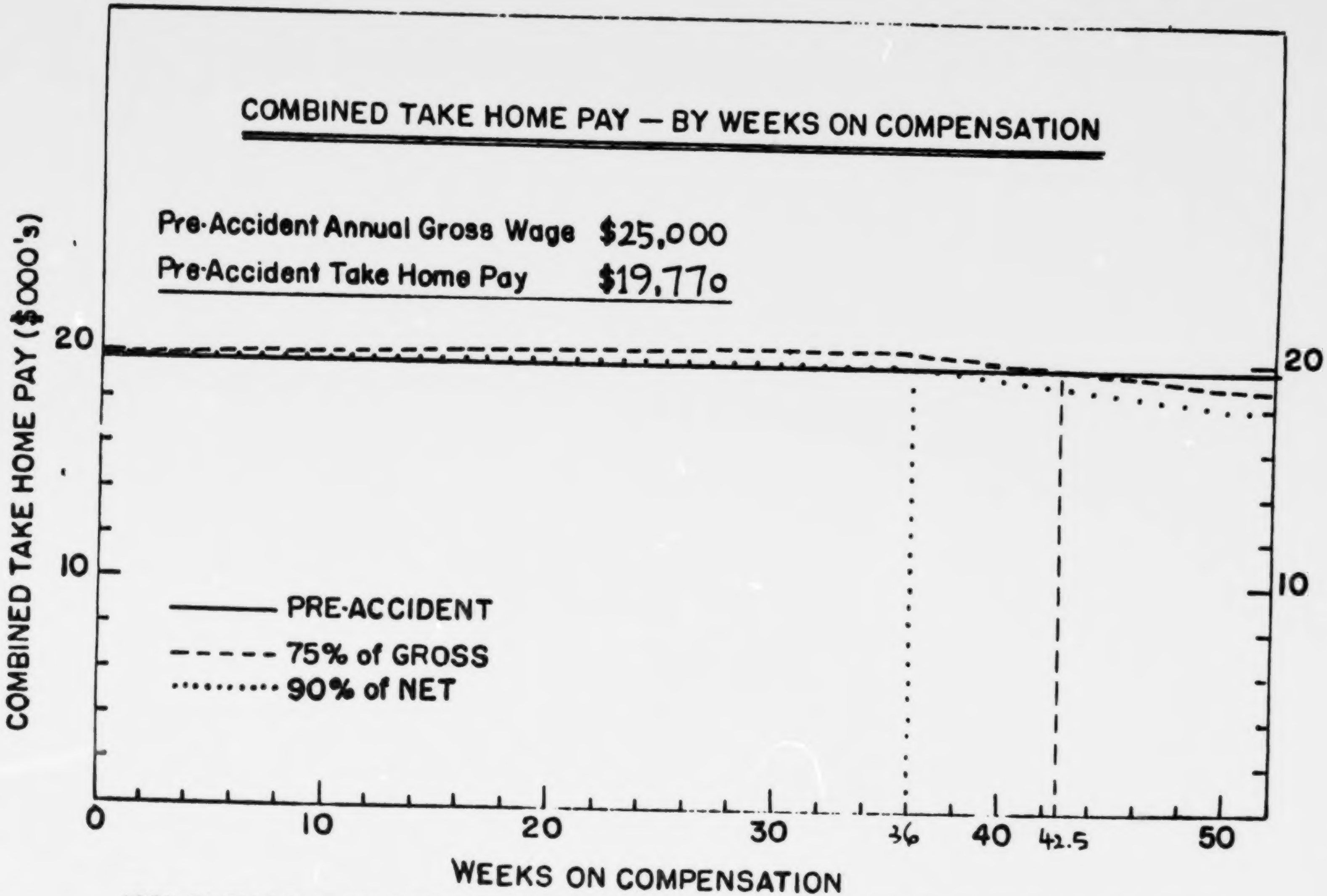
1981 ONTARIO TAX RATES — WORKER WITH SPOUSE, NO DEPENDENT CHILDREN

#3A



1981 ONTARIO TAX RATES — WORKER WITH SPOUSE, 3 DEPENDENT CHILDREN

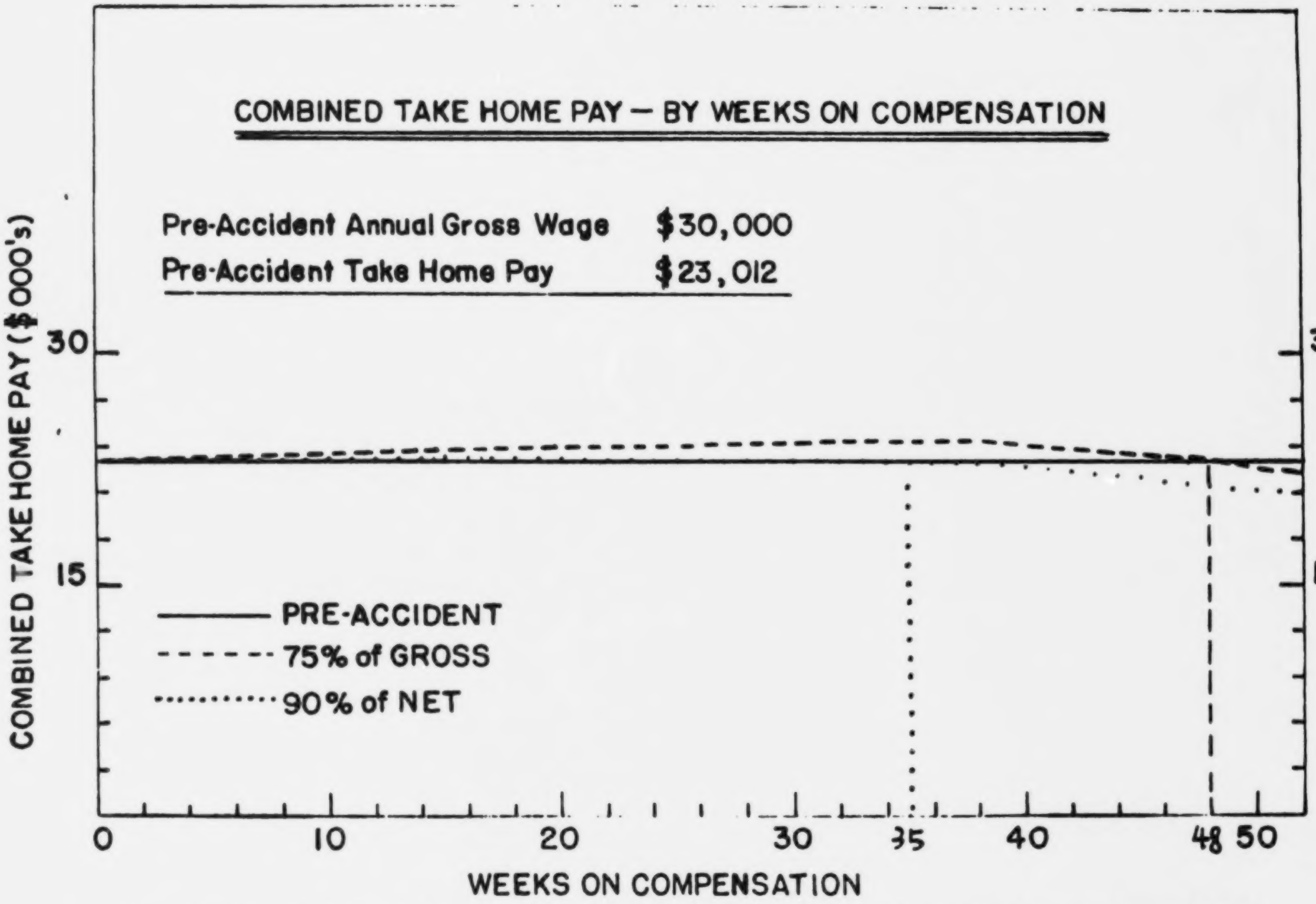
#3B



COMBINED TAKE HOME PAY — BY WEEKS ON COMPENSATION

1981 ONTARIO TAX RATES — WORKER WITH SPOUSE, NO DEPENDENT CHILDREN

#4



COMBINED TAKE HOME PAY — BY WEEKS ON COMPENSATION

Pre-Accident Annual Gross Wage $30,000
Pre-Accident Take Home Pay $23,012

#5

1981 ONTARIO TAX RATES — WORKER WITH SPOUSE, NO DEPENDENT CHILDREN

COMBINED TAKE-HOME PAY OF AN INJURED WORKER* ON COMPENSATION FOR 12 WEEKS (60 DAYS)

	Non Injured Worker	Injured Worker				
Earnings	Annual Take Home Pay**	Take Home Pay For 40 Wks	Compensation Paid		Combined Take-Home Pay	
			75% Gross	90% Net	75% Gross	90% Net
12,500	11,023	8,935	2,163	2,290	11,098	11,225
15,000	12,794	10,332	2,596	2,657	12,928	12,989
20,000	16,321	13,070	3,462	3,390	16,532	16,460
25,000	19,770	15,781	4,327	4,106	20,108	19,887
30,000	23,012	18,455	5,192	4,779	23,647	23,234

* Assume worker with spouse, no dependent children

** Assume tax year to be 1981

Actuarial Services
June 17, 1983
File: RD-32

COMBINED TAKE-HOME PAY
OF AN INJURED WORKER*
ON COMPENSATION FOR 18 WEEKS (90 DAYS)

	Non Injured Worker	Injured Worker				
			Compensation Paid		Combined Take-Home Pay	
Earnings	Annual Take Home Pay**	Take Home Pay For 34 Wks	75% Gross	90% Net	75% Gross	90% Net
12,500	11,023	7,905	3,245	3,434	11,150	11,339
15,000	12,794	9,076	3,894	3,986	12,970	13,062
20,000	16,321	11,434	5,192	5,085	16,626	16,519
25,000	19,770	13,760	6,490	6,159	20,250	19,919
30,000	23,012	16,048	7,788	7,169	23,836	23,217

* Assume worker with spouse, no dependent children

** Assume tax year to be 1981

Actuarial Services
June 17, 1983
File: RD-32

COMBINED TAKE-HOME PAY OF AN INJURED WORKER* ON COMPENSATION FOR 26 WEEKS (6 MONTHS)

	Non Injured Worker	Injured Worker				
		Take Home Pay For 26 Wks	Compensation Paid		Combined Take-Home Pay	
Earnings	Annual Take Home Pay**		75% Gross	90% Net	75% Gross	90% Net
12,500	11,023	6,051	4,688	4,961	10,739	11,012
15,000	12,794	7,256	5,625	5,757	12,881	13,013
20,000	16,321	9,217	7,500	7,344	16,717	16,561
25,000	19,770	11,023	9,375	8,897	20,398	19,920
30,000	23,012	12,794	11,250	10,356	24,044	23,150

* Assume worker with spouse, no dependent children

** Assume tax year to be 1981

Actuarial Services
June 17, 1983
File: RD-32

Footnote Item #9*

*See Footnote Item #3

Footnote Item #10

REPORT TO THE STANDING COMMITTEE
ON RESOURCE DEVELOPMENT
ON
THE COST OF FULLY FUNDING
ONE YEAR'S NEW CLAIMS
UNDER THE CURRENT AND DRAFT W.C.B. ACTS

Actuarial Services

July 4, 1983

File: RD-49

At the request of the Standing Committee on Resource Development we have updated the cost estimates for the Draft Act contained in the 1981 "White Paper on the Workers' Compensation Act".

Appendix A to this report contains four sets of cost estimates to replace the single set of cost estimates contained in Exhibit "B" of the White Paper. The reasons behind this are:

I The 1982 reduction in Ontario's employed workforce

In 1982 the reduction in the employed workforce resulted in a reduction in new claim volumes. However this was not accompanied by a reduction in benefits paid to injured workers due to the increased time injured workers stayed on benefit.

Thus, as the outlook for employed workforces in Ontario is not clear, we have prepared updated cost estimates on two assumptions:-

1. Gradual increase in the employed workforce (HIGH EMPLOYMENT)
2. Constant employed workforce (LOW EMPLOYMENT)

II Entitlement to Permanent Disability Wage Loss Benefits

Whereas, we used one assumption for costing this proposal in the White Paper, the uncertainties surrounding this proposal have led us to prepare updated cost estimates upon two assumptions:-

A) Nil wage loss benefits for the permanently disabled Unemployed injured worker.
B) Full wage loss benefits for the permanently disabled unemployed injured worker.

As a result, we have labeled our four cost estimates as:-

1A) HIGH EMPLOYMENT/NIL BENEFITS RE PREMANENTLY DISABLED UNEMPLOYED

1B) HIGH EMPLOYMENT/FULL BENEFITS RE PERMANENTLY DISABLED UNEMPLOYED

2A) LOW EMPLOYMENT/NIL BENEFITS RE PERMANENTLY DISABLED UNEMPLOYED

2B) LOW EMPLOYMENT/FULL BENEFITS RE PERMANENTLY DISABLED UNEMPLOYED

In summary, our costings are as follows:-

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS

($ Millions)

	HIGH EMPLOYMENT		LOW EMPLOYMENT	
	NIL WAGE LOSS RE PERMANENTLY DISABLED UNEMPLOYED	FULL WAGE LOSS RE PERMANENTLY DISABLED UNEMPLOYED	NIL WAGE LOSS RE PERMANENTLY DISABLED UNEMPLOYED	FULL WAGE LOSS RE PERMANENTLY DISABLED UNEMPLOYED
	1A	1B	2A	2B
CURRENT ACT FULLY ADJUSTED FOR INFLATION	778	778	836	836
INCREMENTAL COST OF PROPOSALS				
* 250% CEILING PLUS 90% NET FOR TEMP. & PERM. DISABILITY	25	25	29	29
* BALANCE OF PERMANENT DISABILITY	-138	344	-155	389
* SURVIVORS	9	9	8	8
* TOTAL INCREMENTAL COST	-104	378	-118	426
DRAFT ACT	674	1156	718	1262

GENERAL OBSERVATIONS

1. For a complete understanding of these updated cost estimates it is necessary to refer to our orignal report at the end of the White Paper.

2. Except as already noted, these updated cost estimates have been prepared using actuarial methods, assumptions and data that are consistent with those used in our White Paper report. In this regard, the assumptions and data reflect the experience to the end of 1982 rather than 1980.

3. One exception to our observation that we used experience to the end of 1982 is our assuptions and data on how many permanently disabled injured workers are unemployed. Specificialy this data was obtained in late 1981 when general unemployment levels in Ontario were 6.5%.

4. Our unemployment assumptions have been set independantly of general levels of unemployment. Thus if general levels of unemployment continue at 11.2% (May, 1983) the range in our LOW EMPLOYMENT cost estimates may be too narrow.

5. In reviewing the results in Appendix A it is inappropriate to examine individual incremental costs, because the proposals are highly interdependent

6. Observation 5 does not apply to the table on page 2 as we have grouped the interdependent proposals.

Actuarial Services
July 4, 1983
File: RD-49

- - - - R E V I S E D - - - -

APPENDIX A

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS

($ Millions at July 1, 1983)

Basis 1A Assumptions: - HIGH EMPLOYMENT/NIL BENEFITS RE PERMANENTLY DISABLED UNEMPLOYED

			INCREMENTAL COST OF 1981 WHITE PAPER PROPOSALS							
	CURRENT SYSTEM (1)	CURRENT SYSTEM FULLY ADJUSTED FOR INFLATION (2)	250% of Ontario AIW Ceiling (3) +	Wage Loss (4) +	C.P.P. Offset (5) +	90% Net (6) +	Retirement Benefits (7) +	Lump Sums (8) =	NEW COST (9)	DRAFT ACT (2)+(9) (10)
Temporary	290	305	36	0	0	- 7	0	0	29	334
Permanent	166	342	46	-151	-39	-26	-34	62	-142	200
Survivor	15	30	0	20	-10	- 1	- 8	8	9	39
Medical Aid	101	101	0	0	0	0	0	0	0	101
TOTAL	572	778	82	-131	-49	-34	-42	70	-104	674

* The removal or change of any one item will change the costs of the remaining items.

THE PRECEDING NOTES FORM AN INTEGRAL PART OF THIS EXHIBIT.

PREPARED BY: WCB, ACTUARIAL SERVICES
DATE: July 6, 1983
FILE: RD-49

- - - - R E V I S E D - - - -

APPENDIX A

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS
($ Millions at July 1, 1983)

Basis 1B Assumptions: - HIGH EMPLOYMENT/FULL BENEFITS RE THE PERMANENTLY DISABLED UNEMPLOYED

			INCREMENTAL COST OF 1981 WHITE PAPER PROPOSALS							
	CURRENT SYSTEM (1)	CURRENT SYSTEM FULLY ADJUSTED FOR INFLATION (2)	250% of Ontario AIW Ceiling (3) +	Wage Loss (4) +	C.P.P. Offset (5) +	90% Net (6) +	Retirement Benefits (7) +	Lump Sums (8) =	NET COST (9)	DRAFT ACT (2)+(9) (10)
Temporary	290	305	36	0	0	- 7	0	0	29	334
Permanent	166	342	46	535	-38	-115	-150	62	340	682
Survivor	15	30	0	20	-10	- 1	- 8	8	9	39
Medical Aid	101	101	0	0	0	0	0	0	0	101
TOTAL	572	778	82	555	-48	-123	-158	70	378	1156

* The removal or change of any one item will change the costs of the remaining items.

THE PRECEDING NOTES FORM AN INTEGRAL PART OF THIS EXHIBIT.

PREPARED BY: WCB, ACTUARIAL SERVICES
DATE: July 6, 1983
FILE: RD-49

----REVISED----

APPENDIX A

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS
($ Millions at July 1, 1983)

Basis 2A Assumptions: - LOW EMPLOYMENT/NIL BENEFITS RE PERMANENTLY DISABLED UNEMPLOYED

			INCREMENTAL COST OF 1981 WHITE PAPER PROPOSALS							
	CURRENT SYSTEM (1)	CURRENT SYSTEM FULLY ADJUSTED FOR INFLATION (2)	250% of Ontario AIW Ceiling (3) +	Wage Loss (4) +	C.P.P. Offset (5) +	90% Net (6) +	Retirement Benefits (7) +	Lump Sums (8) =	NET COST (9)	DRAFT ACT (2)+(9) (10)
Temporary	309	325	39	0	0	- 7	0	0	32	357
Permanent	186	384	54	-171	-44	-29	-38	70	-158	226
Survivor	12	26	0	17	- 8	- 1	- 7	7	8	34
Medical Aid	101	101	0	0	0	0	0	0	0	101
TOTAL	608	836	93	-154	-52	-37	-45	77	-118	718

* The removal or change of any one item will change the costs of the remaining items.

THE PRECEDING NOTES FORM AN INTEGRAL PART OF THIS EXHIBIT.

PREPARED BY: WCB, ACTUARIAL SERVICES
DATE: July 6, 1983
FILE: RD-49

- - - - - REVISED - - - -

APPENDIX A

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS
($ Millions at July 1, 1983)

Basis 2B Assumptions: - LOW EMPLOYMENT/FULL BENEFITS RE PERMANENTLY DISABLED UNEMPLOYED

			INCREMENTAL COST OF 1981 WHITE PAPER PROPOSALS							
	CURRENT SYSTEM (1)	CURRENT SYSTEM FULLY ADJUSTED FOR INFLATION (2)	250% of Ontario AIW Ceiling (3)	+ Wage Loss (4)	+ C.P.P. Offset (5)	+ 90% Net (6)	+ Retirement Benefits (7)	+ Lump Sums (8)	= NET COST (9)	DRAFT ACT (2)+(9) (10)
Temporary	309	325	39	0	0	- 7	0	0	32	357
Permanent	186	384	54	604	-43	-130	-169	70	386	770
Survivor	12	26	0	17	- 8	- 1	- 7	7	8	34
Medical Aid	101	101	0	0	0	0	0	0	0	101
TOTAL	608	836	93	621	-51	-138	-176	77	426	1262

* The removal or change of any one item will change the costs of the remaining items.

THE PRECEDING NOTES FORM AN INTEGRAL PART OF THIS EXHIBIT.

PREPARED BY: WCB, ACTUARIAL SERVICES
DATE: July 6, 1983
FILE: RD-49

Footnote Item #11

REPORT TO THE STANDING COMMITTEE
ON RESOURCES DEVELOPMENT
ON
ALTERNATIVE PROPOSALS ARISING FROM THE STANDING COMMITTEE MEETINGS

The Committee requested that the W.C.B. develop examples of benefits under four alternative proposals. The guidelines for the examples are included in Appendix A. Appendix B contains 60 examples and a statement of the assumptions used to develop them.

Actuarial Sevices

July 11, 1983

File: RD-49

All of the Alternative Proposals Arising from the Standing Committee Meetings cost more than the proposals in the White Paper. The cost estimates can best be summarized as:

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS

($ Millions)

				ALTERNATIVE PROPOSALS			
Basis	Current System	Current System Fully Adjusted For Inflation	White Paper Proposal	SC-1	SC-2	SC-3	SC-4
1. High Employment	572	778	674 1,156	1,009 1,392	1,007 1,363		NOT
2. Low Employment	608	836	718 1,262	1,096 1,529	1,093 1,463		COSTED

The last two alternative proposals, SC-3 and SC-4, were not costed but will not vary substantially from SC-1 and SC-2 respectively. This is because the proposed limits will only apply where the worker has a low pre-injury wage and high permanent disability rating i.e. less than 5% of all permanently disabled workers.

SUMMARY DESCRIPTION OF ALTERNATIVE PROPOSALS

PROPOSAL	PENSION FORMULA	WAGE LOSS FORMULA
SC-1	% DISABILITY RATING • AIW, NO LIMIT	100% OF (NET PRE-INJURY EARNINGS LESS NET POST-INJURY EARNINGS LESS PENSION)
SC-2	% DISABILITY RATING • AIW, NO LIMIT	90% OF (NET PRE-INJURY EARNINGS LESS NET POST-INJURY EARNINGS LESS PENSION)
SC-3	% DISABILITY RATING • AIW, MAXIMUM 100% NET PRE-INJURY EARNINGS	100% OF (NET PRE-INJURY EARNINGS LESS NET POST-INJURY EARNINGS LESS PENSION)
SC-4	% DISABILITY RATING • AIW, MAXIMUM 100% NET PRE-INJURY EARNINGS	90% OF (NET PRE-INJURY EARNINGS LESS NET POST-INJURY EARNINGS LESS PENSION)

ACTUARIAL SERVICES
JULY 8, 1983
FILE RD49

APPENDIX A

GUIDELINES FOR DEVELOPING EXAMPLES OF AN ALTERNATE METHOD OF CALCULATING AND PAYING PERMANENT PENSIONS AND WAGE LOSS

PENSION

1) The basis for calculating a pension is the A.I.W. (assumed at this time to be $20,000.00).

2) The pension award is, therefore, a percentage of the A.I.W. and the award calculated in this manner is paid each year in monthly amounts.

3) The pension can be taken as a lump sum or as a monthly award.

4) There is no age adjustment factor as described in the White Paper.

5) The pension is fully indexed.

6) The pension is for life.

7) In calculating the pension, two alternatives should be employed to establish the award:

   (a) the award should be established as outlined in point 2.

   (b) the award should not exceed the worker's pre-accident net average earnings.

WAGE LOSS

1) Wage loss payments cannot exceed the difference between net average earnings before the acci-ent and the pension award.

2) If the worker returns to modified work, the net average earnings at the job are added to the pension award and wage loss payments cannot exceed the difference between this sum and the net average earnings prior to the accident.

3) The actual wage loss payment will be either the difference in net average earnings or 90% of the difference in net average earnings.

4) All payments are subject to adjustments based on Section 33 of the Proposed Act.

5) To develop examples, workers gross earnings prior to the accident should be assumed to be $12,500; $15,000; $20,000; $30,000; $40,000; and $50,000. The worker has a spouse and no dependent children.

6) In each example, the worker, it will be assumed, is entitled to full wage loss.

D. Cain
July 5, 1983
/mi

SC-5-7

REPORT TO THE STANDING COMMITTEE
ON RESOURCES DEVELOPMENT
ON
FURTHER
ALTERNATIVE PROPOSALS ARISING FROM THE
STANDING COMMITTEE MEETINGS

The Committee requested that the W.C.B. develop cost estimates of the benefits under three additional proposals. These three additional proposals have been labelled SC-5, SC-6 and SC-7. Proposals SC-1 to SC-4 were included in a paper dated July 11, 1983.

Actuarial Services

July 15, 1983

File: RD-49

All of the Alternative Proposals, summarized on the bottom of the page, Arising from the Standing Committee Meetings, are estimated to cost more than the proposals in the White Paper. The cost estimates are summarised below:

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS

($ Millions)

Basis	Current System	Current System Fully Adjusted For Inflation	White Paper Proposal	ALTERNATIVE PROPOSALS SC-1	SC-2	SC-5	SC-6	SC-7
1. High Employment	572	778	674	1,009	1,007	894	773	891
			1,156	1,392	1,363	1,310	1,221	1,265
2. Low Employment	608	836	718	1,096	1,093	966	830	962
			1,262	1,529	1,463	1,436	1,334	1,385

SUMMARY DESCRIPTION OF ALTERNATIVE PROPOSALS

PROPOSAL	PENSION FORMULA NO LIMIT	WAGE LOSS FORMULA
SC-1	% Disability Rating x AIW x 1.00	100% of (Net Pre-Injury Earnings less Net Post-Injury Earnings less Pension) Ceiling of 250% of AIW
SC-2	% Disability Rating x AIW x 1.00	90% of (Net Pre-Injury Earnings less Net Post-Injury Earnings Less Pension) Ceiling of 250% of AIW
SC-5	% Disability Rating x AIW x .75	100% of (Net Pre-Injury Earnings less Net Post-Injury Earnings less Pension) Ceiling of 250% of AIW
SC-6	% Disability Rating x AIW x .50	100% of (Net Pre-Injury Earnings less Net Post-Injury Earnings less Pension) Ceiling of 250% of AIW
SC-7	% Disability Rating x AIW x .75	90% of (Net Pre-Injury Earnings less Net Post-Injury Earnings less Pension) Ceiling of 200% of AIW

Actuarial Services
July 15, 1983
File: RD-49

REPORT TO THE STANDING COMMITTEE
ON RESOURCES DEVELOPMENT
ON
FURTHER
ALTERNATIVE PROPOSALS ARISING FROM THE
STANDING COMMITTEE MEETINGS

The committee requested that the W.C.B. develop cost estimates of the benefits under two additional standing Committee proposals. They have been labelled SC-8 and SC-9. In addition, we have been requested to develop cost estimates using criteria presented by Mr. Wrye. Five additional cost estimates were provided. They have been labelled W-1, W-2, W-3, W-4 and W-5.

Appendix "A" contains a description of the items that the Standing Committee has requested.

Appendix "B" contains a description of Mr. Wrye's criteria for establishing the cost estimates.

The results contained in this report are subject to review by the Board Actuary.

Actuarial Services

September 2, 1983

File: RD-49

The Cost Estimates are Summarized below:-

COST OF FULLY FUNDING THE BENEFITS ARISING OUT OF ONE YEAR'S SCHEDULE 1 NEW CLAIMS IN 1983 DOLLARS

($ Millions)

				Standing Committee Alternative Proposals		Other Alternative Proposals*				
Basis	Current System (1)	Current System Fully Adjusted For Inflation (2)	White Paper Proposal (3)	SC-8 (4)	SC-9 (5)	W-1 (6)	W-2 (7)	W-3 (8)	W-4 (9)	W-5 (10)
Ceiling as a % of AIW			250	175	200	175	200	225	250	None
1. High Employment	572	778	674 1,156	622 1,080	652 1,128	820 1,269	831 1,287	836 1,296	837 1,297	840 1,303
2. Low Employment	608	836	718 1,262	661 1,178	695 1,232	881 1,386	892 1,405	898 1,416	899 1,418	902 1,425

* For a complete description of these proposals, refer to Appendix B.

Actuarial Services
September 2, 1983
File: RD-49

APPENDIX "A"

ADDITIONAL STATISTICAL DATA REQUESTED

BY

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

At the end of the Committee Hearings on July 15, 1983, Mr. Wrye requested that the Committee ask the Board for certain statistical data which he could use to prepare a dissenting opinion specifically on Proposal 3 and any other proposals that have to do with the payment of benefits.

The Committee, therefore, asked the Board to provide the following information:

1. current 1983 cost of Workers' Compensation Board benefits
2. current 1983 costs assuming the proposed Act as written was implemented
3. current 1983 costs of the proposed Act but as amended by the Committee
4. current 1983 costs assuming a set of criteria to be provided by Mr. Wrye.

APPENDIX B

The following are the recommendations that we will be making in the benefit package of proposals for reform of Workers' Compensation. Would you be good enough to have these costed for us. You will note that our proposal is phased over a period of time, and we would like each year costed, if possible. Thanks.

Bill Wrye

YEAR ONE

Benefit Ceiling. . .	175% of AIW.
Temporary Benefits . .	90% of Net, After 90 days, 100% of Net.
Wage Loss/Pension. . .	% Disability Rating x AIW x .60. 90% of (Net Pre-Injury Earnings less Net Post-Injury Earnings less Pension) ceiling of 175% of AIW.
CPP Stacking. . .	Retained
Retirement Benefits. . .	AS PER WEILER AND WHITE PAPER
Employment Benefits. . .	AS PER WEILER AND WHITE PAPER
Fatal Accident Cases. . .	As PER WHITE PAPER EXCEPT (NOTE: 250% of AIW) With no dependents. . . 250% @ age 25, adjustment of 4% upward until age 35. For that group, sole entitlement @ age 36, adjustment moves downward by 4% from age 35 level until it reaches 250% AIW at 45. At the same time, a formula paying 75% of net average income, multiplied by a 1/11th fraction at 36, rising to full 75% of net average income at 46 years of age. No remarriage adjustment. CPP Stacking retained.
Inflation Adjustments.	Fully adjusted annually by upward or downward change in AIW.

YEAR TWO

Benefit Ceiling. . .	200% of AIW.
Temporary Benefits . .	As above.
Wage Loss/Pension. . .	Pension as above. Wage loss ceiling increased to 200% of AIW.
CPP Stacking . . .	As above.
Retirement Benefits. . .	As above.
Employment Benefits. . .	As above.
Fatal Accident Cases. . .	As above.
Inflation Adjustments. . .	As above.

YEAR THREE

Benefit Ceiling. . .	225%.
Wage Loss/Pension. . .	Wage loss ceiling increased to 225% of AIW.

YEAR FOUR

Benefit Ceiling. . .	250%.
Wage Loss/Pension. . .	Wage loss ceiling increased to 250% of AIW.

YEAR FIVE

Benefit Ceiling. . .	None.
Wage Loss/Pension. . .	No ceiling.

Footnote Item #12*

ACCESS TO CLAIM FILES

To facilitate the preparation of an appeal, the Board allows injured workers or their representatives to receive photocopies of their claim files when a disputable issue exists. A disputable issue is an adverse decision made by a review group within one of the operating divisions of the Board, which has been communicated in writing to all parties concerned.

All material in the claim file is accessible except medical information which the Board might consider potentially harmful to the worker if disclosed directly. Such information is sent to the worker's physician, to be released to the worker at the physician's discretion, and the worker or worker's representative is so advised. By the end of 1982, which was the first complete year of full access to claim files, the Board found it necessary to invoke this safeguard in only 17 cases out of 7,371 requests for access to files – less than 0.25 per cent of all requests.

Employers have the right of access to only those records which the Board deems relevant to the issue in dispute. However, in 87 per cent of requests in 1982, the employer was granted full access to the file.

The Workers' Compensation Board's responsibilities do not end with adjudicating claims and paying compensation and medical aid expenses for injured workers. The Medical Services and Vocational Rehabilitation Divisions strive to return the injured worker to a healthy, productive and satisfying life, both at home and in the workplace.

* Source: Ontario, WCB, Annual Report 1982, p. 11.

Footnote Item #13

Ontario

Legislative Library, Research and Information Services
Legislative Research Service

Legislative Building
Queen's Park
Toronto, Ontario
M7A 1A2
(416) 965-3637

87/83-84/EEW

July 4, 1983

TO: Resources Development Committee - WCB Hearings

FROM: Jerry Richmond, Research Officer

SUBJECT: Information/Statistics on WCB "Deeming" and Wage Loss Computation in Saskatchewan

---

Overview

Saskatchewan has operated under a combined lump sum and wage loss WCB benefits system, similar to that proposed for Ontario, since January 1, 1980. A "deeming" decision is made when the injured worker is regarded as fit to return to work and the key operative sections of the Saskatchewan Workers' Compensation Act are 68 and 69 (attached). In conducting a deeming assessment the physical-medical limitations due to the injury, the worker's age, education, past work experience, motivation, and geographic location are taken into account. When the worker is deemed suitable to work the Earning's Replacement Committee of the Saskatchewan WCB makes a wage loss computation to establish wage loss related monthly payments. However, for the wage loss evaluation to be conducted the worker need not have nor have been offered a job. The level of wage loss is also reviewed once a year and the actual wage loss award may go up or down.

NOTE: This information was provided by Jim Stewart, Research Officer, Saskatchewan WCB at (306) 565-4651 and Brian Shaw, Chairman - Earning's Replacement Committee, Saskatchewan WCB at (306) 565-7435 in Regina. I also expect to receive supplementary information on these features of the Saskatchewan system and will make this available to the Committee.

It should also be recognized that Saskatchewan's labour force and WCB claims volume is approximately one-tenth the size of Ontario's. In May 1983, Saskatchewan's labour force stood at 479,000 and Ontario's stood at 4.5M (Statistics Canada data). In 1982, the respective number of WCB claims were 36,942 for Saskatchewan and 349,747 for Ontario (1982 WCB Annual Reports Saskatchewan and Ontario).

Statistics

A. Saskatchewan - Recent Statistics on No. of Deeming Decisions

Old Act Claims

(i.e., claims made prior to January 1, 1980)

1979 and 1980	- 3,675 - This number of claims were reviewed for incorporation into the wage loss philosophy of the new WCB system. A special formula was used to adjust old pensions in relation to the old wage and the Consumer Price Index. - Of these old claims it is estimated that on review 10 percent of these claims were deemed suitable for employment.
1983 (Updated review being conducted of old claims since the method of computation has been changed from the CPI to the Average Weekly Wage).	- 5,200 old claims are now under review. - It is estimated that for these claims 15 percent will be deemed suitable for work.

New Act Claims

- A yearly compilation of deeming decisions under the new Act is not available. However, it is estimated that 20 percent of the claims involving long term earnings replacement are deemed.

B. Saskatchewan - Appeals Related to Deeming and Related Wage Loss Computation

NOTE: Appeals in this case usually relate to appealing the level of salary the worker is deemed capable of earning.

	Number of Appeals	Result of Appeals
1980	4 NOTE: One of the 1980 appeals was based on an old Act claim; the others were for new Act claims	2 - no change 2 - deemed wage lowered.

	Number of Appeals	Result of Appeals	
1981	9	6 -	no change
		3 -	deemed wage lowered.
1982	39	29 -	no change
		8 -	deemed wage lowered
		2 -	appeals still in progress

Review of Saskatchewan's Experience

In general, Saskatchewan WCB officials regard the wage loss system as fairer to the injured worker. Periodic payments are only made in relation to actual wage loss. Automatic indexing of the pre-injury earnings in relation to the average weekly wage is also conducted under the Saskatchewan system. From an administrative perspective, systematic monitoring of the actual wage loss annually is more complex than the earlier system, however, policing and report of income for the annual wage loss review is not perceived as a significant problem.

From Saskatchewan's experience, deeming is a complex decision that must be done by senior staff with extensive claims experience. Deeming is also difficult during the current economic climate with high unemployment where actual employment may not be available. One select comment that was made regarding deeming in Saskatchewan was that "judgement is required and it is difficult to deem."

With regard to costs, Saskatchewan is finding that the wage loss system is costing less than the previous WCB system. Rehabilitation and re-employment of injured workers are very significant factors in controlling costs under a wage loss system.

Jerry Richmond

Excerpts from Saskatchewan's Workers' Compensation Act

Amount of compensation

68.—(1) Where injury to a worker results in a loss of earnings beyond the day of the injury, the board shall estimate the effect of the injury on the loss of earning capacity resulting from the injury and shall ensure compensation to the worker in an amount equal to 75% of that estimated loss.

(2) Compensation pursuant to subsection (1) is payable as long as the loss of earning capacity continues or until the worker attains the age of 65, whichever occurs first. 1979, c. W-17.1, s. 68.

Calculation of loss of earning capacity

69. Subject to section 73, calculation of the loss of earning capacity for the purposes of subsection 68(1) shall be based on the difference between the worker's average weekly earnings at the commencement of his loss of earnings resulting from the injury, that amount not to exceed the maximum wage rate then in effect, and the wage the worker is estimated to be capable of earning at a suitable occupation after sustaining that injury. 1979, c. W-17.1, s. 69.

Interpretation, "average weekly wage"

"69.1 For the purposes of sections 70 to 84, 'average weekly wage' means the average weekly wage of the industrial composite as determined by the board from information published by Statistics Canada".

**Saskatchewan
Workers'
Compensation
Board**

1840 Lorne Street
Regina, Canada
S4P 2L8

(306) 565-4370

EXHIBIT No. 125
FILED ON July 5, 1983

29 June 1983

Legislative Research Service
Main Floor, North Wing
Ontario Legislative Building
Queen's Park
Toronto, Ontario M7A 1A2

Attention: Jerry Richmond

Dear Mr. Richmond:

Documentation regarding deeming is forwarded in response to your telephone inquiry of 14 June 1983.

Yours truly,

C. J. Stewart

C. J. Stewart
Research and Information Officer

CJS:cs

Enclosures

(Saskatchewan)

ORDER OF THE WORKERS' COMPENSATION BOARD

22 November 1982 45

1. This Order replaces Board Order 38/80.

2. Section 69 of The Workers' Compensation Act, 1979 reads as follows:

   "Subject to section 73, calculation of the loss of earning capacity for the purposes of subsection 68 (1) shall be based on the difference between the worker's average weekly earnings at the commencement of his loss of earnings resulting from the injury, that amount not to exceed the maximum wage rate that is in effect, and the wage the worker is estimated to be capable of earning at a suitable occupation after sustaining that injury."

   The Board is required to estimate what a worker is capable of earning at a suitable occupation following injury and to annually review, in accordance with Section 73, the loss which may be involved. The difficult question to be determined is what the worker is capable of earning in a suitable employment following injury.

   In the majority of cases where wage loss is shown following injury there will be a significantly important indicator in the actual wage the worker is receiving after a return to employment. This is not an absolute measurement as the worker may be underemployed or may be in lower paying employment because of a non compensable condition or because of a personal wish to change life style. These factors have to be taken into consideration. Expecially difficult will be cases where workers are found fit for employment but have not returned. In these cases, after what may be Vocational Rehabilitation involvement if lengthy disability has been present, the Board will have to estimate what the worker is capable of earning at a suitable occupation.

   The Board interprets "suitable occupation" as follows:

   i. An occupation which the individual is physically capable of performing,

   ii. An occupation for which the individual is qualified,

   iii. An occupation for which the individual has a reasonable expectation to be hired (a reasonable expectation would exist if a specific job is not available because of strikes, unemployment, general economic conditions, etc. because other workers in that sector of the labour force face the same difficulties),

iv. An occupation which does not place unrealistic demands on the worker.

The latter may take into consideration a worker's age, geographical location, education and training, language skills, ethnic background, etc.

The question of a suitable occupation must be worked out between the worker and his Vocational Rehabilitation Counsellor after medical determination of physical restrictions. A great deal of emphasis must be placed on the person in the field who knows the actual details of a worker's situation. Vocational Rehabilitation Counsellors, therefore, should have sufficient latitude to deal with more than just a short term assurance to workers as to income assistance. If the Counsellor, in his professional judgment, feels that a worker has done everything possible to achieve maximum earning capacity, that should weigh heavily on any decision as to long term Board payments of wage loss assistance.

Although it is not necessary that an actual and tangible employment offer exist, such would certainly assist in determining present earning capacity. The onus will be on the Board to show they were reasonable in assigning an estimated earnings capacity.

When an injured worker is informed that his capacity to earn has been estimated, in addition to the amount it is felt he is able to earn the worker is to be acquainted with the kind of occupation(s) he is considered capable of engaging in.

....
Brian King, Chairman

....
M. G. Bourne, Board Memb

....
H. S. Elkin, Board Membe

....
J. A. McLean, Executive Director

29/11/82

(Saskatchewan)

ORDER OF THE WORKERS' COMPENSATION BOARD

26 November 1982

Estimating what a worker is capable of earning at a suitable occupation after sustaining a work injury is difficult at the best of times. Economic recession compounds the difficulty. As a general guideline, the Board directs that the following apply:

1. Workers who are fit for pre-injury employment following recovery from work injury are not to receive any special consideration other than what has normally been provided in times of economic growth.

2. A worker who has resumed employment within his or her capability and becomes unemployed because of the recession shall not receive additional wage loss payments. Where such layoff, however, results from increased functional impairment the Board has further responsibility. Claims for additional wage loss in such instances should be developed both medically and in consultation with the employer to determine the reason for the layoff.

3. A worker who loses suitable light employment because of the recession and who turns to employment less suitable shall not be denied benefits if the change in employment causes a recurrence or worsening of the compensable condition.

4. Certain employers create temporary light duty employment activity for workers who have not fully recovered from their impairment. If a general layoff interrupts such light duty the worker qualifies for benefits if unable to perform his normal duties.

Brian King

Brian King, Chairman

M. G. Bourne, Board Member

H. S. Elkin, Board Member

1979 Act Deeming

This is a very time consuming procedure and must be carried out very carefully. Claims Officers and Earnings Replacement Unit are only areas who carry this out.

Our deeming procedure naturally is only done where absolutely necessary, where a worker is underemployed or unemployed. I stress we must review file very thoroughly, if Claims deeming differs drastically from Earnings Replacement Unit an automatic appeal is received.

Factors we consider are:

- limitations due work injury.
- age of worker.
- education.
- past work experience.
- Rehab assistance provided or offered.
- worker's location
- pre-injury employers cooperation to offer suitable work
- worker's motivation etc.

Recommendations:

- we must establish a suitable occupation and wage base, we cannot simply rule no wage loss. (I have seen this in the past.)
- we must not simply rule minimum wage.
- must be employment worker has real opportunity to obtain.
- must be prepared to back up decisions by facts.
- Our booklet Wages and Working Conditions by occupation is to be used as a guideline, we should also call on employer if possible to establish deemed wage loss.
- Mature and reasonable judgement required by W.C.B. staff.

NB Perferrably deaming should be carried out in one specialized area and perhaps if workload permits changes may occur in this area in future. A work assessment program through Rehab Department would seem to be an excellent aide.

Report to the Standing Committee on Resources Development on the W.C.B. Unfunded Liability and the Impact on the Assessment Rates

The Committee requested that the Board provide some factual information on the growth of the unfunded liability and the average assessment rate. Specificially, the Committee requested:

1. Average Assessment rate from 1975 to present.
2. The Unfunded Liability from 1975 to present.
3. The significant events since 1975 which have caused the Unfunded Liability to grow.
4. The above information related to specific major industries.

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The factual information for the first two items is provided in Tables 1 and 2. Tables 3.1 and 3.2, which were provided to the Committee in June, 1983, show the Income and Expenses from 1975 to 1982. From these tables it can be seen that Total Income exceeded Total Expenses in all years without a legislative amendment. Consequently, the unfunded liability declined in those years. In years with a legislative amendment the Total Income was less than Total Expenses and thus the unfunded liability grew. In addition it can be seen that the Benefit Payments have been growing substantially after 1979 when the economic recession began.

The assessment rates prior to 1981 made no allowance for the costs of future legislative amendments for inflation. These rates did, however, include the funding of existing amendments over a period of years after they occured. This practice will hold the deficit fairly constant if the only annual change is an amendment for inflation. Where amendments do not occur each year, the deficit will decline in any year without an amendment and will increase in any year where the amendment includes a catch-up provision.

It is only since 1980 that this practice has not worked due to the accumulative effect of legislative amendments and the recession.

To put the funding of legislated benefit increases into perspective, it is useful to review the history of inflation. The legislative amendments resulted from high inflation since 1973 and, at that time, it was anticipated that inflation would return to traditional levels, as in the past. Historically, the average change in the Consumer Price Index was:

Period	Average C.P.I.
1932 - 1956	2.24%
1957 - 1961	1.81%
1962 - 1966	2.18%
1967 - 1971	3.67%
1972	4.77%
1973	7.61%
1974	10.86%
1975	10.81%
1976	7.51%
1977	7.99%
1978	8.91%
1979	9.14%

For example inflation averaged 7.96% for the five year period 1947 to 1951 and then returned to traditional levels. Beginning with the 1981 assessment rates*, it was recognized that inflation would continue in the foreseeable future and a long term process of recognizing future legislative increases in the assessment rates was considered.

* It should be noted that the 1981 assessment rates were set in July, 1980 based on data available to December 31, 1979.

Partly because of the economic recession, the increases in assessment rates were limited for 1981 through 1983 while the benefit expenses increased substantially. In order to bring the Income in line with the Expenses and to slow down the growth of the unfunded liability it will be necessary to substantially increase the assessment rates.

To see how the unfunded liability has grown for specific major industries we have included some Rate Group Accounts. Table 4 gives a listing of the accounts for specific industries and Table 5 gives a general description of the line items included in the accounts.

Actuarial Services
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TABLE 1

Payroll Weighted Average Assessment Rates

Year	Forecasted	Actual
1975	Unavailable	1.45
1976	Unavailable	1.75
1977	2.00	1.92
1978	2.07	1.97
1979	1.81	1.80
1980	1.64	1.62
1981	1.72	1.66
1982	1.86	1.77*
1983	1.98	1.84*
1984	2.43	

* current estimate

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TABLE 2

SCHEDULE 1

BALANCE SHEET

(Millions)

Reported

Year (1)	Interest (2)	Assets (3)	Liabilities (4)	Unfunded Liability (5)	Percentage Unfunded (6)
1975	8.1%	$ 732.0	$ 1,250	$ 518.0	41.4%
1976	8.1%	896.4	1,400	503.6	36.0%
1977	8.0%	1,126.1	1,500	373.9	24.9%
1978	8.25	1,345.8	1,730	384.2	22.2%
1979	8.50	1,585.5	1,990	404.5	20.3%
1980	8.50	1,691.7	2,090	398.3	19.1%
1981	8.50	1,793.9	2,610	816.1	31.3%
1982	7.75	1,881.9	3,310	1,428.1	43.1%
1983*	7.25	1,925.0	3,864	1,939.0	50.2%
Liabilities Restated at Net 2%					
1975	2.0%	$ 732.0	$2,165	$1,433.0	66.2%
1976	2.0%	896.4	2,425	1,528.6	63.0%
1977	2.0%	1,126.1	2,598	1,471.9	56.7%
1978	2.0%	1,345.8	3,053	1,707.2	55.9%
1979	2.0%	1,585.5	3,580	1,994.5	55.7%
1980	2.0%	1,691.7	3,760	2,068.3	55.0%
1981	2.0%	1,793.9	4,695	2,901.1	61.8%
1982	2.0%	1,881.9	5,624	3,742.1	66.5%
1983*	2.0%	1,925.0	6,300	4,375.0	69.4%

* Estimated

Actuarial Services
September 14, 1983
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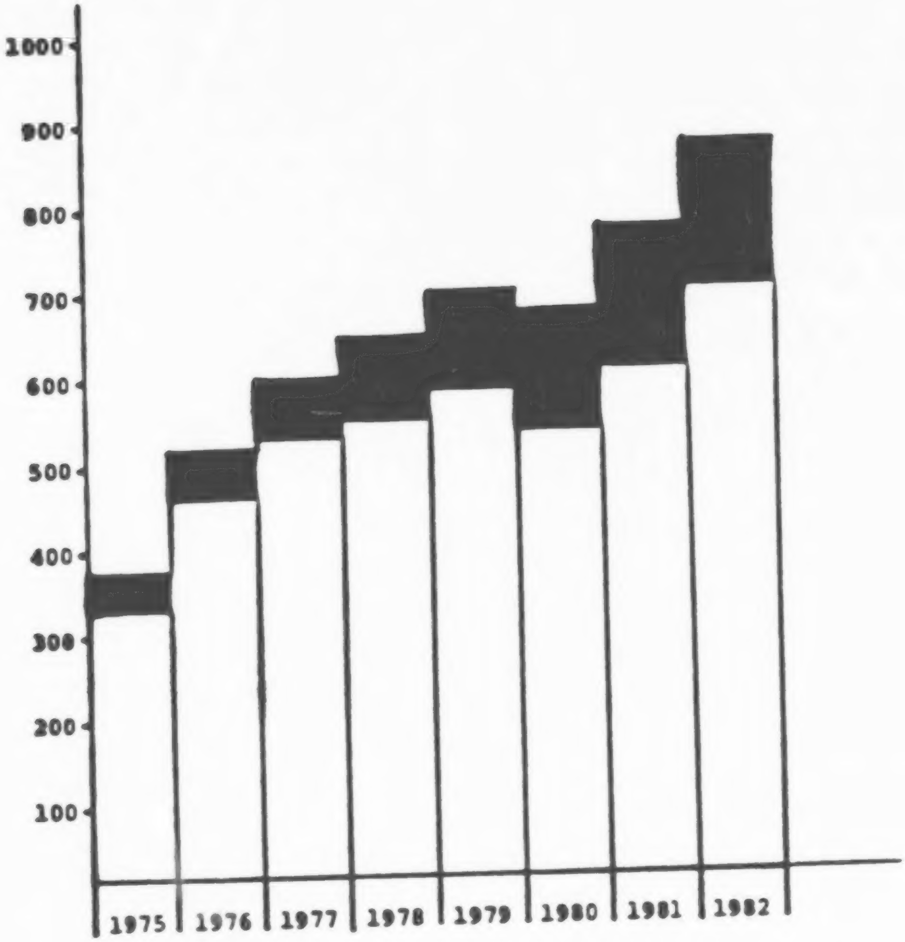
TABLE 3.1

SCHEDULE 1
TOTAL INCOME
($ Millions)



	□ Assessment Revenue	■ Investment Income	Total Income
1975	331.3	43.5	374.9
1976	452.5	57.3	509.8
1977	524.7	69.8	594.5
1978	539.0	105.2	644.2
1979	576.5	120.5	697.0
1980	529.1	141.3	670.4
1981	601.5	165.9	767.4
1982*	696.6	170.1	866.7

* Estimated

June 13, 1983
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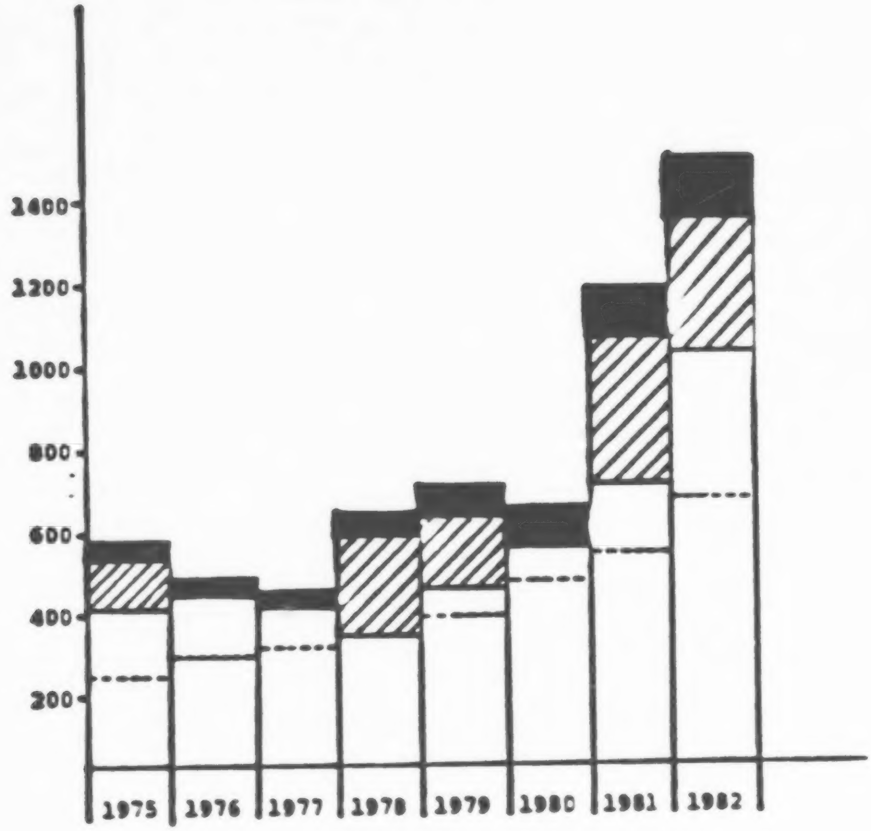
SCHEDULE 1
TOTAL EXPENSES
($ Millions)

TABLE 3.2



	Benefit Payments	Increase in Present Value of Future Payments	☐ Total Benefits	▨ Legislative Amendment	■ Other	Tota Expen
1975	244.8	161.3	406.1	138.7	38.1	582.
1976	301.3	150.0	451.3		44.1	495.
1977	312.5	100.0	412.5		52.3	464.
1978	360.7	(10.0)	350.7	240.0	63.8	654.
1979	384.6	70.0	454.6	190.0	72.8	717.
1980	471.5	100.0	571.5		92.6	664.
1981	556.6	160.0	716.6	360.0	108.7	1,185.
1982*	651.5	365.0	1,016.5	335.0**	127.2	1,478.

* Estimated
** Includes $125 million increased allowance for future amendments

June 13, 1983
File: RD-49

TABLE 4

Listing of Rate Group Accounts showing Income and Expenses for Specific Rate Groups

Rate Group Number	Industry Description	Major Industry Group
001	Woods Operations	Forestry
023	Pulp & Paper Mills	Forestry
076	Nickel Mining	Mining
084	Uranium Mining	Mining
246	Manufacturing Metal Articles	Manufacturing
264	Light Manufacturing	Manufacturing
306	Automobiles	Manufacturing
656	Trucking	Transportation
709	Taxi Cabs	Transportation
854	General Construction	Constructiom
864	Building Sub Trades	Construction
882	Hospitals	Services
898	Restaurants	Services
916	Wholesale	Trade
931	Retail - Food	Trade
934	Retail - Other than Food	Trade

Actuarial Services
September 14, 1983
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TABLE 5
(1)

GENERAL DESCRIPTION OF THE LINE ITEMS IN THE RATE GROUP ACCOUNTS

(1) ASSESSMENT RATE

These are actual assessment rates.

(2) PAYROLL

These are the actual or current estimate of the group's assessable payroll for the year.

REVENUE:

(3) ASSESSMENT REVENUE

This is not simply the assessment rate times the assessable payroll as it has been adjusted for the difference between actual payrolls and its prior estimate.

It is also net of charges written off during the year plus all penalties, including Section 91(7)'s and experience rating charges, issued during the year.

(4) INVESTMENT INCOME

The total investment income earned on the Schedule 1 assets during the year proportioned according to the rate group's assets.

(5) INCOME (3) PLUS (4)

BENEFIT PAYMENTS:

Items 6 through 11 are benefits paid during the year, i.e., cheques issued. Thus, they include pension payments rather than the pension capitalizations included in employers' accident cost statements.

(12) BENEFIT PAYMENTS

6 + 7 + 8 + 9 + 10 - 11

OTHER COSTS:

(13) W.C.B. ADMINISTRATION

The cost of administering Schedule 1 over the year together with the cost of certain services provided to injured workers and our Occupational Health and Safety payment to the Ministry of Labour.

(14) SAFETY ASSOCIATION

The cost of the appropriate Safety Association over the year plus the cost of mine rescue.

Continued........

TABLE 5

(2)

GENERAL DESCRIPTION OF THE LINE ITEMS IN THE RATE GROUP ACCOUNTS - Cont'd.

15) LEVY RE SI & RS

This levy is used to cover the funds transferred to individual rate groups under (16) and (17). Since 1975 this levy, at the Schedule 1 level, has been exactly equal to the transfers under (16) and (17) because the Board no longer subdivides the Accident Fund into a series of sub funds such as the Second Injury and Enhancement Fund and the Rate Stabilization & Disaster Fund.

As a result lines 15, 16 and 17 do not appear in the Board's Annual Report.

(16) LESS: SIEF RELIEF

Where an injured worker's benefits exceed those that would have been paid if the worker had no pre-existing disabilities, the excess is relieved for both the employer and the rate group. The relief for the rate group is effected via this line item.

(17) LESS: RS RELIEF

Where the cost required to amortize the rate group's cost of past amendments is too high, the cost is limited and the resulting loss in the rate's revenue is made up by relief of costs. The relief for the rate group is effected via this line item.

(18) OTHER COSTS

13 + 14 + 15 - 16 - 17

ASSETS:

(19) SPECIAL YEAR-END TRANSFER

To accommodate adjustments to the accounts for prior years without restating prior year accounts.

(20) NET INCOME

5 - 12 - 18

(21) & (22) ASSETS

The rate group's assets. The total for all rate groups equals the Schedule 1 Accident Fund's assets net of accounts payable and accrued charges.

Continued..........

TABLE 5

(3)

GENERAL DESCRIPTION OF THE LINE ITEMS IN THE RATE GROUP ACCOUNTS - Cont'd.

LIABILITIES

Each year a rate group's liabilities (present value of future payments on its existing claims) change:--

(23) In normal course of events because:--

- (a) Another year of claims has been added;
- (b) Another year of payments has been made and they are no longer outstanding;
- (c) The pattern of awards has been changed for the rate group and the change has been reflected in the actuarial assumptions.

(24) There has been a change in the W.C.B. legislation during the year which changes the benefit levels for existing claims.

Total Increase in Liability

(25) 23 + 24

Items (26) and (27) show the year's opening and closing balance where (27) equals (25) plus (26).

UNFUNDED LIABILITIES:

These primarily arise out of amendments to the W.C.B. act and represent the difference between the rate group's assets and liabilities. Thus the increase for any year (28) equals:--

(a) The total increase in liabilities (25)

MINUS

(b) The net income for the year (20).

Item (29) shows the year's opening balance and thus equals the year's opening liability (26) minus the year's opening assets (21).

Item (30) shows the year's closing balance and thus equals the year's closing liability (27) minus the year's closing assets (22).

```
10.47.55           1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS           PAGE2101
--------           1982 PAYROLL ESTIMATED AS AT FEB  1983              --------
RR041DEL ---------------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION          1979      1980      1981      1982    '82 -'79  (%)
---------------------------    --------  --------  --------  --------  --------  ----

( 1) ASSESSMENT RATE            11.30     9.60      8.30      8.80     -2.50     -22.1%
( 2) PAYROLL                   157.051   159.593   174.396   161.956    4.905      3.1%
REVENUE
-------
( 3) ASSESSMENT REVENUE         18.967    14.786    13.974    14.148    -4.820    -25.4%
( 4) INVESTMENT INCOME           4.321     5.055     5.719     5.417     1.095     25.3%
                               --------  --------  --------  --------
( 5) INCOME                     23.289    19.842    19.693    19.565    -3.724    -16.0%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         4.862     5.837     6.724     8.356     3.494     71.9%
( 7) MEDICAL AID AWARDS          2.082     1.971     2.665     2.608     0.527     25.3%
( 8) PENSION PAYMENTS            3.727     4.440     5.379     6.022     2.295     61.6%
( 9) LUMP SUM RE AMEND.          0.106     0.331     0.487     0.261     0.155    146.6%
(10) REHABILITATION              0.102     0.151     0.173     0.331     0.229    223.4%
(11) LESS: THIRD PARTY RECOV.    0.041     0.025     0.041     0.026    -0.015    -37.3%
                               --------  --------  --------  --------
(12) BENEFIT PAYMENTS           10.837    12.705    15.368    17.553     6.715     62.0%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         1.608     1.998     2.389     2.698     1.090     67.7%
(14) SAFETY ASSOCIATION          0.643     0.688     0.737     0.865     0.222     34.6%
(15) LEVY RE SI & RS             1.859     2.294     2.627     3.002     1.143     61.5%
(16) LESS : SIEF RELIEF          0.692     0.939     1.175     1.658     0.966    139.5%
(17) LESS : RS RELIEF            0.000     0.000     0.000     0.000     0.000      0.0%
                               --------  --------  --------  --------
(18) OTHER COSTS                 3.418     4.040     4.478     4.907     1.489     43.6%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000    -0.028     0.000     0.000     0.000      0.0%
(20) NET INCOME:(5)-(12)-(18)    9.033     3.097    -0.153    -2.895   -11.929   -132.1%
(21) ASSETS AT JAN 1ST          48.040    57.073    60.142    59.989    11.949     24.9%
                               --------  --------  --------  --------
(22) ASSETS AT DEC 31ST         57.073    60.142    59.989    57.094     0.021      0.0%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        1.974     2.397     2.707     1.467    -0.507    -25.7%
(24) SPECIAL INCR IN LIAB        5.817     0.000    10.526    15.801     9.984    171.6%
                               --------  --------  --------  --------
(25) TOTAL INCR IN LIAB          7.791     2.397    13.234    17.268     9.477    121.6%
(26) LIABILITY AS AT JAN 1ST    50.967    58.759    61.156    74.390    23.422     46.0%
                               --------  --------  --------  --------
(27) LIABILITY AS AT DEC 31ST   58.759    61.156    74.390    91.658    32.899     56.0%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)    -1.242    -0 672    13.387    20.164    21.406  -1723.6%
(29) UNF LIAB AT JAN 1ST         2.927     1.685     1.013    14.400    11.473    391.9%
                               --------  --------  --------  --------
(30) UNF LIAB AT DEC 31ST        1.685     1.013    14.400    34.564    32.878   1950.8%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP #  1 IS    1 :WOODS OPERATIONS              THE 1983 RATE IS 10.04
```

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06/03/83              RATEGROUP ACCOUNTS IN MILLIONS                   REPORT 1
10.47.55          1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS            PAGE2104
--------          1982 PAYROLL ESTIMATED AS AT FEB  1983               --------
RRO41DEL ------------------------------------------------------------- RRO41AR1

   ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------   -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE            2.15     1.95     2.00     1.95    -0.20     -9.3%
( 2) PAYROLL                  455.314  457.566  527.529  574.293  118.979    26.1%
REVENUE
-------
( 3) ASSESSMENT REVENUE        10.205   10.084    9.587   10.996    0.791     7.7%
( 4) INVESTMENT INCOME          2.091    2.571    3.118    3.210    1.119    53.5%
                              -------- -------- -------- --------
( 5) INCOME                    12.296   12.655   12.705   14.206    1.910    15.5%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS        2.815    3.278    3.534    4.512    1.697    60.3%
( 7) MEDICAL AID AWARDS         1.130    1.145    1.439    1.558    0.428    37.9%
( 8) PENSION PAYMENTS           1.754    2.153    2.659    2.980    1.226    69.9%
( 9) LUMP SUM RE AMEND.         0.051    0.161    0.232    0.134    0.083   161.8%
(10) REHABILITATION             0.052    0.078    0.109    0.194    0.142   273.3%
(11) LESS: THIRD PARTY RECOV.   0.022    0.017    0.028    0.020   -0.002    -9.5%
                              -------- -------- -------- --------
(12) BENEFIT PAYMENTS           5.781    6.798    7.945    9.359    3.578    61.9%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION        0.858    1.069    1.235    1.438    0.581    67.7%
(14) SAFETY ASSOCIATION         0.274    0.329    0.387    0.477    0.203    74.1%
(15) LEVY RE SI & RS            1.000    1.564    1.734    2.333    1.333   133.2%
(16) LESS : SIEF RELIEF         0.686    0.811    0.801    1.075    0.389    56.7%
(17) LESS : RS RELIEF           0.000    0.000    0.000    0.000    0.000     0.0%
                              -------- -------- -------- --------
(18) OTHER COSTS                1.447    2.152    2.555    3.174    1.727   119.4%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER   0.000   -0.019    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)   5.068    3.706    2.206    1.673   -3.395   -67.0%
(21) ASSETS AT JAN 1ST         22.896   27.964   31.650   33.856   10.960    47.9%
                              -------- -------- -------- --------
(22) ASSETS AT DEC 31ST        27.964   31.650   33.856   35.529    7.565    27.1%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB       1.754   -2.563    2.221    2.007    0.253    14.4%
(24) SPECIAL INCR IN LIAB       3.478    0.000    5.898    6.956    3.479   100.0%
                              -------- -------- -------- --------
(25) TOTAL INCR IN LIAB         5.232   -2.563    8.119    8.963    3.732    71.3%
(26) LIABILITY AS AT JAN 1ST   30.366   35.597   33.034   41.154   10.788    35.5%
                              -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST  35.597   33.034   41.154   50.117   14.520    40.8%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)    0.163   -6.249    5.914    7.290    7.127  4368.1%
(29) UNF LIAB AT JAN 1ST        7.470    7.633    1.384    7.298   -0.172    -2.3%
                              -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST       7.633    1.384    7.298   14.588    6.955    91.1%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

 RATEGROUP #  4 IS   23 :PULP AND PAPER MILLS         THE 1983 RATE IS  2.07
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08/03/83                RATEGROUP ACCOUNTS IN MILLIONS                 REPORT 1
10.47.55          1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS            PAGE2110
--------          1982 PAYROLL ESTIMATED AS AT FEB  1983               --------
RRO41DEL ------------------------------------------------------------- RRO41AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------    -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             7.00     6.95     7.25     7.35     0.35      5.0%
( 2) PAYROLL                   212.435  307.999  341.749  270.389   57.954    27.3%
REVENUE
-------
( 3) ASSESSMENT REVENUE         13.906   18.977   23.581   19.566    5.660    40.7%
( 4) INVESTMENT INCOME           3.861    4.566    5.992    6.796    2.935    76.0%
                               -------- -------- -------- --------
( 5) INCOME                     17.767   23.543   29.573   26.362    8.595    48.4%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         6.676    7.977    8.880   14.553    7.877   118.0%
( 7) MEDICAL AID AWARDS          1.607    1.632    2.300    2.455    0.848    52.8%
( 8) PENSION PAYMENTS            5.079    6.498    7.124    8.384    3.305    65.1%
( 9) LUMP SUM RE AMEND.          0.111    0.458    0.643    0.365    0.254   228.7%
(10) REHABILITATION              0.430    0.288    0.214    0.201   -0.228   -53.2%
(11) LESS: THIRD PARTY RECOV.    0.030    0.032    0.069    0.035    0.005    18.2%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS           13.873   16.818   19.092   25.922   12.050    86.9%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         2.059    2.645    2.988    3.984    1.926    93.5%
(14) SAFETY ASSOCIATION          0.620    0.723    0.931    1.371    0.751   121.2%
(15) LEVY RE SI & RS             1.363    2.944    4.265    4.152    2.789   204.6%
(16) LESS : SIEF RELIEF          1.775    1.920    2.184    4.194    2.418   136.2%
(17) LESS : RS RELIEF            4.017    4.021    9.251   12.158    8.141   202.7%
                               -------- -------- -------- --------
(18) OTHER COSTS                -1.750    0.370   -3.250   -6.844   -5.094   291.1%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000   -0.060    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)    5.645    6.354   13.731    7.284    1.639    29.0%
(21) ASSETS AT JAN 1ST          44.130   49.774   56.069   69.800   25.670    58.2%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST         49.774   56.069   69.800   77.084   27.310    54.9%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        0.212    3.891    4.434    4.541    4.329  2042.7%
(24) SPECIAL INCR IN LIAB        9.275    0.000   16.999   23.169   13.894   149.8%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB          9.487    3.891   21.433   27.710   18.223   192.1%
(26) LIABILITY AS AT JAN 1ST    81.645   91.132   95.024  116.457   34.811    42.6%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST   91.132   95.024  116.457  144.167   53.034    58.2%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     3.842   -2.403    7.702   20.425   16.583   431.6%
(29) UNF LIAB AT JAN 1ST        37.516   41.358   38.955   46.657    9.141    24.4%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST       41.358   38.955   46.657   67.082   25.724    62.2%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 10.15   78 :NICKEL MINING               THE 1983 RATE IS  7.92
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08/03/83              RATEGROUP ACCOUNTS IN MILLIONS                  REPORT 1
10.47.55         1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS            PAGE2111
--------         1982 PAYROLL ESTIMATED AS AT FEB  1983               --------
RR041DEL ------------------------------------------------------------ RR041AR1

    ACCOUNT DESCRIPTION           1979     1980     1981     1982   '82 -'79  (%)
--------------------------      -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             11.25    10.65     9.50     8.05    -3.20    -28.4%
( 2) PAYROLL                     83.258   92.710  110.845  131.931   48.673    58.5%
REVENUE
-------
( 3) ASSESSMENT REVENUE          11.543    8.484   11.044   10.500   -1.043    -9.0%
( 4) INVESTMENT INCOME            1.530    2.211    3.378    3.899    2.369   154.8%
                                -------- -------- -------- --------
( 5) INCOME                      13.073   10.695   14.422   14.399    1.326    10.1%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS          1.224    1.583    2.085    2.698    1.474   120.4%
( 7) MEDICAL AID AWARDS           0.478    0.505    0.720    0.903    0.425    89.0%
( 8) PENSION PAYMENTS             1.038    1.372    1.516    1.897    0.859    82.7%
( 9) LUMP SUM RE AMEND.           0.029    0.085    0.135    0.079    0.050   172.8%
(10) REHABILITATION               0.093    0.087    0.100    0.169    0.076    81.9%
(11) LESS: THIRD PARTY RECOV.     0.025    0.014    0.032    0.019   -0.006   -23.6%
                                -------- -------- -------- --------
(12) BENEFIT PAYMENTS             2.837    3.579    4.524    5.727    2.890   101.8%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION          0.421    0.583    0.703    0.880    0.459   109.0%
(14) SAFETY ASSOCIATION           0.127    0.154    0.221    0.303    0.176   138.6%
(15) LEVY RE SI & RS              1.132    1.316    1.998    2.229    1.097    96.9%
(16) LESS : SIEF RELIEF           0.173    0.248    0.378    0.707    0.534   308.3%
(17) LESS : RS RELIEF             0.000    0.000    0.000    0.000    0.000     0.0%
                                -------- -------- -------- --------
(18) OTHER COSTS                  1.506    1.784    2.543    2.704    1.198    79.5%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER     0.000    3.489    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)     8.729    5.332    7.354    5.968   -2.761   -31.6%
(21) ASSETS AT JAN 1ST           14.246   22.975   31.797   39.151   24.905   174.8%
                                -------- -------- -------- --------
(22) ASSETS AT DEC 31ST          22.975   31.797   39.151   45.119   22.144    96.4%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB         2.233   -1.070    3.556    5.897    3.664   164.1%
(24) SPECIAL INCR IN LIAB         2.399    0.000    4.644    2.212   -0.187    -7.8%
                                -------- -------- -------- --------
(25) TOTAL INCR IN LIAB           4.632   -1.070    8.200    8.109    3.477    75.1%
(26) LIABILITY AS AT JAN 1ST     19.717   24.349   23.279   31.479   11.762    59.7%
                                -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST    24.349   23.279   31.479   39.588   15.239    62.6%
UNFUNDED LIABILITIES                                       /
--------------------
(28) UNF LIAB INCR:(25)-(20)     -4.097   -9.892    0.846    2.141    6.238  -152.2%
(29) UNF LIAB AT JAN 1ST          5.471    1.374   -8.518   -7.672  -13.143  -240.2%
                                -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST         1.374   -8.518   -7.672   -5.531   -6.905  -502.6%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 11 IS   84 :URANIUM MINING              THE 1983 RATE IS  8.84
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0[illegible]/03/83          RATEGROUP ACCOUNTS IN MILLIONS                 REPORT 1
10.47.58        1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS          PAGE2126
--------        1982 PAYROLL ESTIMATED AS AT FEB  1983             --------
RR041DEL ------------------------------------------------------------ RR041AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
--------------------------     -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             2.60     2.25     2.15     2.35    -0.25     -9.6%
( 2) PAYROLL                  2378.565 2428.816 2770.512 2836.382  457.817    19.2%
REVENUE
-------
( 3) ASSESSMENT REVENUE         63.817   57.753   55.678   65.890    2.073     3.2%
( 4) INVESTMENT INCOME          11.052   13.604   16.137   16.399    5.348    48.4%
                               -------- -------- -------- --------
( 5) INCOME                     74.868   71.357   71.815   82.289    7.421     9.9%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS        20.706   26.959   28.829   34.061   13.355    64.5%
( 7) MEDICAL AID AWARDS          6.013    6.391    8.318    8.444    2.432    40.4%
( 8) PENSION PAYMENTS            7.921    9.031   12.504   14.417    6.495    82.0%
( 9) LUMP SUM RE AMEND.          0.267    0.735    0.994    0.634    0.367   137.6%
(10) REHABILITATION              0.654    0.885    1.331    1.635    0.981   149.9%
(11) LESS: THIRD PARTY RECOV.    0.137    0.098    0.182    0.119   -0.018   -13.2%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS           35.424   43.702   51.814   59.072   23.648    66.8%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         5.257    6.873    8.054    9.080    3.822    72.7%
(14) SAFETY ASSOCIATION          1.181    1.457    1.848    2.194    1.013    85.8%
(15) LEVY RE SI & RS             6.256    8.958   10.070   13.981    7.725   123.5%
(16) LESS : SIEF RELIEF          3.686    5.903    7.355   10.150    6.464   175.4%
(17) LESS : RS RELIEF            0.000    0.000    0.000    0.000    0.000     0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                 9.008   11.385   12.618   15.106    6.097    67.7%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000   -0.101    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)   30.436   16.270    7.383    8.112  -22.324   -73.3%
(21) ASSETS AT JAN 1ST         119.188  149.624  165.793  173.176   53.988    45.3%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST        149.624  165.793  173.176  181.288   31.664    21.2%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        4.763   11.349   14.777   11.602    6.839   143.6%
(24) SPECIAL INCR IN LIAB       16.048    0.000   31.261   40.736   24.688   153.8%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB         20.811   11.349   46.038   52.339   31.528   151.5%
(26) LIABILITY AS AT JAN 1ST   147.889  168.700  180.050  226.088   78.199    52.9%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST  168.700  180.050  226.088  278.427  109.726    65.0%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)    -9.625   -4.920   38.655   44.227   53.852  -559.5%
(29) UNF LIAB AT JAN 1ST        28.701   19.076   14.256   52.912   24.211    84.4%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST       19.076   14.256   52.912   97.138   78.063   409.2%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 38 IS  340  METAL ARTICLES                THE 1983 RATE IS  2.50
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08/03/83             RATEGROUP ACCOUNTS IN MILLIONS                 REPORT 1
10.47.58        1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS           PAGE2128
--------        1982 PAYROLL ESTIMATED AS AT FEB  1983              --------
RR041DEL ---------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------    -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             0.45     0.35     0.40     0.50     0.05     11.1%
( 2) PAYROLL                   1234.311 1327.715 1585.353 1749.209  514.898   41.7%
REVENUE
-------
( 3) ASSESSMENT REVENUE          5.138    4.995    6.281    8.734    3.597   70.0%
( 4) INVESTMENT INCOME           1.116    1.278    1.475    1.550    0.434   38.8%
                               -------- -------- -------- --------
( 5) INCOME                      6.253    6.273    7.756   10.284    4.031   64.5%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         2.090    2.806    3.111    3.749    1.659   79.4%
( 7) MEDICAL AID AWARDS          0.619    0.750    0.928    0.988    0.369   59.6%
( 8) PENSION PAYMENTS            0.774    0.982    1.231    1.403    0.629   81.2%
( 9) LUMP SUM RE AMEND.          0.031    0.073    0.097    0.062    0.031  102.4%
(10) REHABILITATION              0.059    0.062    0.136    0.156    0.097  165.5%
(11) LESS: THIRD PARTY RECOV.    0.011    0.008    0.018    0.016    0.005   42.9%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS            3.561    4.665    5.485    6.341    2.780   78.1%
OTHER COSTS
-----------
(13) WCBD ADMINISTRATION         0.529    0.734    0.853    0.975    0.446   84.4%
(14) SAFETY ASSOCIATION          0.119    0.156    0.196    0.236    0.117   98.4%
(15) LEVY RE SI & RS             0.504    0.775    1.136    1.853    1.350  268.1%
(16) LESS : SIEF RELIEF          0.466    0.531    0.806    0.745    0.279   59.9%
(17) LESS : RS RELIEF            0.000    0.000    0.000    0.000    0.000    0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                 0.685    1.133    1.378    2.319    1.634  238.6%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000   -0.009    0.000    0.000    0.000    0.0%
(20) NET INCOME:(5)-(12)-(18)    2.007    0.475    0.895    1.624   -0.383  -19.1%
(21) ASSETS AT JAN 1ST          12.575   14.582   15.047   15.942    3.367   26.8%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST         14.582   15.047   15.942   17.566    2.984   20 5%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        0.523    1.524    1.777    1.081    0.558  106.8%
(24) SPECIAL INCR IN LIAB        1.447    0.000    2.946    4.862    3.415  236.0%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB          1.970    1.524    4.723    5.944    3.974  201.7%
(26) LIABILITY AS AT JAN 1ST    14.010   15.980   17.504   22.226    8.216   58.6%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST   15.980   17.504   22.226   28.170   12.190   76.3%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)    -0.037    1.058    3.828    4.320    4.357-11900.2%
(29) UNF LIAB AT JAN 1ST         1.435    1.398    2.457    6.284    4.849  338.0%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST        1.398    2.457    6.284   10.604    9.206  658.5%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 28 IS  384 :LIGHT MANUFACTURING          THE 1983 RATE IS  0.53
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08/03/83                RATEGROUP ACCOUNTS IN MILLIONS                  [illegible]
10.47.55          1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS             PAGE2133
--------          1982 PAYROLL ESTIMATED AS AT FEB  1983                --------
RR041DEL --------------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION             1979      1980      1981      1982    '82 -'79  (%)
 ----------------------------     --------  --------  --------  --------  --------  ----

( 1) ASSESSMENT RATE                 2.05      2.35      2.60      2.90     0.85       41.5%
( 2) PAYROLL                     1075.864   947.529  1089.322  1265.591   189.727      17.6%
REVENUE
-------
( 3) ASSESSMENT REVENUE            29.664    16.329    31.836    36.130     6.466      21.8%
( 4) INVESTMENT INCOME              2.947     3.775     4.833     5.752     2.805      95.2%
                                 --------  --------  --------  --------
( 5) INCOME                        32.611    20.104    36.670    41.882     9.271      28.4%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS           12.067    14.642    14.936    22.488    10.421      86.4%
( 7) MEDICAL AID AWARDS             2.246     2.229     2.702     3.361     1.115      49.6%
( 8) PENSION PAYMENTS               2.124     2.802     3.633     4.681     2.557     120.4%
( 9) LUMP SUM RE AMEND.             0.063     0.188     0.286     0.203     0.139     219.2%
(10) REHABILITATION                 0.135     0.251     0.485     0.442     0.307     227.4%
(11) LESS: THIRD PARTY RECOV.       0.064     0.026     0.093     0.065     0.001       2.3%
                                 --------  --------  --------  --------
(12) BENEFIT PAYMENTS              16.572    20.084    21.949    31.110    14.538      87.7%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION            2.459     3.159     3.412     4.782     2.322      94.4%
(14) SAFETY ASSOCIATION             0.552     0.670     0.783     1.155     0.603     109.2%
(15) LEVY RE SI & RS                2.908     2.533     5.758     7.667     4.759     163.6%
(16) LESS : SIEF RELIEF             2.480     3.605     4.782     7.036     4.556     183.7%
(17) LESS : RS RELIEF               2.644     3.383     3.916     5.147     2.503      94.7%
                                 --------  --------  --------  --------
(18) OTHER COSTS                    0.796    -0.607     1.275     1.421     0.625      78.5%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER       0.000    -0.049     0.000     0.000     0.000       0.0%
(20) NET INCOME:(5)-(12)-(18)      15.244     0.627    13.446     9.352    -5.892     -38.7%
(21) ASSETS AT JAN 1ST             28.220    43.464    44.042    57.488    29.268     103.7%
                                 --------  --------  --------  --------
(22) ASSETS AT DEC 31ST            43.464    44.042    57.488    66.840    23.376      53.8%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB           3.391     2.458     7.863    13.422    10.031     295.8%
(24) SPECIAL INCR IN LIAB           8.506     0.000    16.203    20.350    11.844     139.2%
                                 --------  --------  --------  --------
(25) TOTAL INCR IN LIAB            11.898     2.458    24.066    33.772    21.875     183.9%
(26) LIABILITY AS AT JAN 1ST       75.087    86.985    89.443   113.509    38.421      51.2%
                                 --------  --------  --------  --------
(27) LIABILITY AS AT DEC 31ST      86.985    89.443   113.509   147.281    60.296      69.3%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)       -3.346     1.880    10.619    24.421    27.767    -829.8%
(29) UNF LIAB AT JAN 1ST           46.867    43.521    45.401    56.020     9.154      19.5%
                                 --------  --------  --------  --------
(30) UNF LIAB AT DEC 31ST          43.521    45.401    56.020    80.441    36.920      84.8%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E

  RATEGROUP # 33 IS  308 :AUTOMOBILES                  THE 1983 RATE IS  3.19
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08/03/83                RATEGROUP ACCOUNTS IN MILLIONS                   REPORT 1
10.47.55          1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS              PAGE2188
--------          1982 PAYROLL ESTIMATED AS AT FEB  1983                 --------
RR041DEL ------------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------    -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE              3.55     3.20     3.35     3.70     0.15     4.2%
( 2) PAYROLL                   728.463  758.036  865.471  922.058  193.596    26.6%
REVENUE
-------
( 3) ASSESSMENT REVENUE         25.691   26.285   27.853   33.703    8.012    31.2%
( 4) INVESTMENT INCOME           5.875    5.844    8.001    8.082    2.206    37.6%
                               -------- -------- -------- --------
( 5) INCOME                     31.566   32.129   35.854   41.784   10.218    32.4%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         9.988   12.718   14.335   19.155    9.167    91.8%
( 7) MEDICAL AID AWARDS          2.611    2.804    3.815    4.156    1.545    59.2%
( 8) PENSION PAYMENTS            4.681    5.833    6.701    8.060    3.380    72.2%
( 9) LUMP SUM RE AMEND.          0.148    0.426    0.558    0.356    0.209   141.3%
(10) REHABILITATION              0.265    0.343    0.540    0.667    0.401   151.3%
(11) LESS: THIRD PARTY RECOV.    0.055    0.043    0.061    0.061    0.006    10.2%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS           17.637   22.080   25.888   32.333   14.696    83.3%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         2.618    3.472    4.024    4.970    2.352    89.8%
(14) SAFETY ASSOCIATION          0.467    0.520    0.573    0.671    0.203    43.5%
(15) LEVY RE SI & RS             2.518    3.922    5.038    7.151    4.633   184.0%
(16) LESS : SIEF RELIEF          2.139    3.213    3.777    5.851    3.712   173.5%
(17) LESS : RS RELIEF            0.000    0.000    0.000    0.000    0.000     0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                 3.464    4.702    5.858    6.941    3.476   100.3%
ASSETS
------
*(19) SPECIAL YEAREND TRANSFER   0.000   -0.055    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)   10.464    5.347    4.108    2.510   -7.954   -76.0%
(21) ASSETS AT JAN 1ST          66.222   76.687   81.978   86.087   19.865    30.0%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST         76.687   81.978   86.087   88.597   11.911    15.5%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        2.413    6.098    6.584    8.591    6.179   256.1%
(24) SPECIAL INCR IN LIAB        8.404    0.000   15.847   26.057   17.653   210.0%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB         10.817    6.098   22.431   34.648   23.831   220.3%
(26) LIABILITY AS AT JAN 1ST    75.019   85.836   91.933  114.365   39.346    52.4%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST   85.836   91.933  114.365  149.013   63.177    73.6%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     0.352    0.806   18.323   32.138   31.785  9018.7%
(29) UNF LIAB AT JAN 1ST         8.797    9.149    9.955   28.278   19.481   221.5%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST        9.149    9.955   28.278   60.416   51.267   560.4%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 68 IS  658 :TRUCKING                  THE 1983 RATE IS  4.12
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08/03/83               RATEGROUP ACCOUNTS IN MILLIONS                 REPORT 1
10.47.55         1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS            PAGE2173
--------         1982 PAYROLL ESTIMATED AS AT FEB  1983               --------
RRO41DEL ------------------------------------------------------------ RRO41AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------    -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             1.40     1.40     1.55     1.80    0.40      28.6%
( 2) PAYROLL                   132.402  142.232  162.040  180.011  47.610     36.0%
REVENUE
-------
( 3) ASSESSMENT REVENUE          1.930    1.897    2.495    3.239   1.310     67.9%
( 4) INVESTMENT INCOME           0.416    0.469    0.544    0.584   0.168     40.5%
                               -------- -------- -------- --------
( 5) INCOME                      2.345    2.366    3.039    3.823   1.478     63.0%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         0.728    1.156    1.245    1.547   0.819    112.4%
( 7) MEDICAL AID AWARDS          0.219    0.280    0.316    0.284   0.065     29.7%
( 8) PENSION PAYMENTS            0.339    0.411    0.567    0.627   0.287     84.7%
( 9) LUMP SUM RE AMEND.          0.014    0.032    0.040    0.028   0.014     96.5%
(10) REHABILITATION              0.018    0.014    0.026    0.022   0.004     19.4%
(11) LESS: THIRD PARTY RECOV.    0.004    0.003    0.007    0.006   0.002     41.1%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS            1.315    1.889    2.188    2.502   1.187     90.2%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         0.195    0.297    0.340    0.385   0.189     97.0%
(14) SAFETY ASSOCIATION          0.035    0.044    0.048    0.052   0.017     48.9%
(15) LEVY RE SI & RS             0.189    0.294    0.451    0.687   0.498    263.4%
(16) LESS : SIEF RELIEF          0.114    0.128    0.364    0.302   0.188    165.2%
(17) LESS : RS RELIEF            0.000    0.067    0.141    0.188   0.188      0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                 0.305    0.441    0.334    0.636   0.331    108.4%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000   -0.003    0.000    0.000   0.000      0.0%
(20) NET INCOME:(5)-(12)-(18)    0.725    0.036    0.519    0.685  -0.040     -5.5%
(21) ASSETS AT JAN 1ST           4.696    5.421    5.454    5.973   1.277     27.2%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST          5.421    5.454    5.973    6.658   1.237     22.8%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        0.832    0.212    0.929    1.178   0.346     41.6%
(24) SPECIAL INCR IN LIAB        0.676    0.000    1.302    1.710   1.034    153.1%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB          1.508    0.212    2.230    2.888   1.380     91.5%
(26) LIABILITY AS AT JAN 1ST     6.238    7.746    7.959   10.189   3.950     63.3%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST    7.746    7.959   10.189   13.077   5.331     68.8%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     0.783    0.176    1.712    2.202   1.420    181.4%
(29) UNF LIAB AT JAN 1ST         1.543    2.325    2.505    4.216   2.674    173.3%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST        2.325    2.505    4.216    6.419   4.093    176.0%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 73 IS  700 :TAXI CABS                    THE 1983 RATE IS  2.07
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10.47.55         1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS          PAGE2187
--------         1982 PAYROLL ESTIMATED AS AT FEB  1983             --------
RR041DEL ---------------------------------------------------------- RR041AR1

   ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
----------------------------  -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             5.10     4.35     4.75     5.45     0.35     6.9%
( 2) PAYROLL                  896.141  679.931  746.415  707.655 -188.486   -21.0%
REVENUE
-------
( 3) ASSESSMENT REVENUE        45.856   33.228   30.564   37.625   -8.231   -17.9%
( 4) INVESTMENT INCOME         10.871   11.766   12.379   11.110    0.240     2.2%
                              -------- -------- -------- --------
( 5) INCOME                    56.727   44.994   42.943   48.736   -7.991   -14.1%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS       19.186   22.536   21.733   25.795    6.609    34.4%
( 7) MEDICAL AID AWARDS         5.125    5.328    5.781    6.449    1.324    25.8%
( 8) PENSION PAYMENTS          10.395   13.122   15.426   17.909    7.514    72.3%
( 9) LUMP SUM RE AMEND.         0.334    0.964    1.242    0.796    0.461   138.1%
(10) REHABILITATION             1.007    1.391    1.966    2.220    1.213   120.5%
(11) LESS: THIRD PARTY RECOV.   0.099    0.056    0.089    0.068   -0.031   -31.1%
                              -------- -------- -------- --------
(12) BENEFIT PAYMENTS          35.949   43.284   46.059   53.101   17.152    47.7%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION        5.335    6.807    7.159    8.162    2.827    53.0%
(14) SAFETY ASSOCIATION         2.426    3.379    2.750    3.207    0.781    32.2%
(15) LEVY RE SI & RS            4.495    5.154    5.528    7.984    3.489    77.6%
(16) LESS : SIEF RELIEF         3.678    5.914    6.264    8.507    4.830   131.3%
(17) LESS : RS RELIEF           0.000    4.029    3.292    4.327    4.327     0.0%
                              -------- -------- -------- --------
(18) OTHER COSTS                8.579    5.397    5.882    6.520   -2.060   -24.0%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER   0.000   -0.104    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)  12.199   -3.687   -8.998  -10.884  -23.083  -189.2%
(21) ASSETS AT JAN 1ST        126.108  138.307  134.516  125.518   -0.590    -0.5%
                              -------- -------- -------- --------
(22) ASSETS AT DEC 31ST       138.307  134.516  125.518  114.633  -23.674   -17.1%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB       5.633    6.719    7.880    6.210    0.577    10.2%
(24) SPECIAL INCR IN LIAB      17.109    0.000   31.369   55.360   38.251   223.6%
                              -------- -------- -------- --------
(25) TOTAL INCR IN LIAB        22.742    6.719   39.249   61.569   38.828   170.7%
(26) LIABILITY AS AT JAN 1ST  149.896  172.639  179.358  218.607   68.710    45.8%
                              -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST 172.639  179.358  218.607  280.177  107.538    62.3%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)   10.543   10.510   48.247   72.454   61.911   587.2%
(29) UNF LIAB AT JAN 1ST       23.790   34.332   44.843   93.090   69.300   291.3%
                              -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST      34.332   44.843   93.090  165.543  131.211   382.2%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 87 IS  894 :GENERAL CONSTRUCTION         THE 1983 RATE IS  6.27
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10.47.55        1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS           PAGE2189
--------        1982 PAYROLL ESTIMATED AS AT FEB  1983              --------
RR041DEL ------------------------------------------------------------ RR041AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '83 -'79  (%)
--------------------------     -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             2.65     2.45     2.70     2.90     0.25      9.4%
( 2) PAYROLL                   705.376  878.617 1061.087 1147.339  441.963    62.7%
REVENUE
-------
( 3) ASSESSMENT REVENUE         19.076   19.994   29.814   33.434   14.358    75.3%
( 4) INVESTMENT INCOME           3.771    4.315    5.034    5.020    1.249    33.1%
                               -------- -------- -------- --------
( 5) INCOME                     22.847   24.309   34.848   38.454   15.607    68.3%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         7.407    9.738   12.947   18.093   10.686   144.3%
( 7) MEDICAL AID AWARDS          1.897    2.085    3.999    3.955    2.057   108.4%
( 8) PENSION PAYMENTS            3.504    4.498    5.390    6.488    2.984    85.2%
( 9) LUMP SUM RE AMEND.          0.125    0.322    0.440    0.285    0.160   127.2%
(10) REHABILITATION              0.320    0.336    0.681    0.995    0.675   211.1%
(11) LESS: THIRD PARTY RECOV.    0.041    0.034    0.087    0.060    0.019    47.3%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS           13.213   16.946   23.371   29.756   16.543   125.2%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         1.961    2.665    3.633    4.574    2.613   133.2%
(14) SAFETY ASSOCIATION          0.892    1.338    1.398    1.797    0.906   101.6%
(15) LEVY RE SI & RS             1.870    3.101    5.392    7.095    5.225   279.4%
(16) LESS : SIEF RELIEF          1.183    1.994    2.397    3.989    2.806   237.2%
(17) LESS : RS RELIEF            0.000    0.000    0.035    0.046    0.046     0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                 3.540    5.110    7.989    9.431    5.891   166.4%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000   -0.038    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)    6.095    2.252    3.488   -0.732   -6.827  -112.0%
(21) ASSETS AT JAN 1ST          42.819   48.914   51.128   54.616   11.797    27.5%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST         48.914   51.128   54.616   53.883    4.969    10.2%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        1.128    6.727    7.927    7.627    6.500   576.4%
(24) SPECIAL INCR IN LIAB        6.379    0.000   12.879   28.540   22.160   347.4%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB          7.507    6.727   20.806   36.167   28.660   381.8%
(26) LIABILITY AS AT JAN 1ST    56.981   64.487   71.214   92.020   35.040    61.5%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST   64.487   71.214   92.020  128.187   63.700    98.8%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     1.412    4.513   17.318   36.900   35.487  2513.0%
(29) UNF LIAB AT JAN 1ST        14.161   15.573   20.086   37.405   23.243   164.1%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST       15.573   20.086   37.405   74.304   58.731   377.1%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 89 IS  864 :BUILDING SUB TRADES          THE 1983 RATE IS  3.33
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06/03/83                RATEGROUP ACCOUNTS IN MILLIONS                  REPORT 1
10.47.58           1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS            PAGE2192
--------           1982 PAYROLL ESTIMATED AS AT FEB  1983               --------
RR041DEL ------------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------    -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE              0.85     0.70     0.75     0.85     0.00      0.0%
( 2) PAYROLL                   1957.275 2125.733 2475.532 2938.172  980.897    50.1%
REVENUE
-------
( 3) ASSESSMENT REVENUE          16.573   14.507   18.961   24.653    8.080    48.8%
( 4) INVESTMENT INCOME            3.203    3.800    4.458    4.679    1.476    46.1%
                               -------- -------- -------- --------
( 5) INCOME                      19.776   18.307   23.419   29.332    9.556    48.3%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS          6.387    8.885   10.533   12.603    6.216    97.3%
( 7) MEDICAL AID AWARDS           2.003    2.212    2.974    3.168    1.165    58.1%
( 8) PENSION PAYMENTS             1.852    2.401    3.201    3.967    2.114   114.2%
( 9) LUMP SUM RE AMEND.           0.057    0.170    0.241    0.174    0.117   204.2%
(10) REHABILITATION               0.224    0.240    0.466    0.603    0.378   168.7%
(11) LESS: THIRD PARTY RECOV.     0.036    0.025    0.055    0.045    0.009    25.0%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS            10.487   13.884   17.359   20.469    9.981    95.2%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION          1.558    2.152    2.698    3.148    1.590   102.1%
(14) SAFETY ASSOCIATION           0.405    0.557    0.793    1.077    0.672   165.9%
(15) LEVY RE SI & RS              1.625    2.250    3.429    5.231    3.607   222.0%
(16) LESS : SIEF RELIEF           1.914    2.932    3.842    5.115    3.201   167.2%
(17) LESS : RS RELIEF             0.000    0.000    0.000    0.000    0.000     0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                  1.672    2.028    3.078    4.340    2.667   159.5%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER     0.000   -0.038    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)     7.616    2.396    2.982    4.524   -3.093   -40.6%
(21) ASSETS AT JAN 1ST           35.150   42.768   45.327   48.308   13.158    37.4%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST          42.768   45.327   48.308   52.832   10.066    23.5%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB         2.992    5.207    7.763    9.964    6.972   233.0%
(24) SPECIAL INCR IN LIAB         3.837    0.000    8.080   15.897   12.060   314.3%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB           6.829    5.207   15.844   25.861   19.032   278.7%
(26) LIABILITY AS AT JAN 1ST     41.725   48.554   53.761   69.605   27.880    66.8%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST    48.554   53.761   69.605   95.466   46.912    96.6%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     -0.788    2.647   12.882   21.337   22.125 -2808.4%
(29) UNF LIAB AT JAN 1ST          6.575    5.788    8.435   21.297   14.721   223.9%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST         5.788    8.435   21.297   42.634   36.846   636.6%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 82 IS  882 :HOSPITALS                     THE 1983 RATE IS  0.98
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08/03/83            RATEGROUP ACCOUNTS IN MILLIONS              REPORT 1
10.47.55      1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS         PAGE2194
--------      1982 PAYROLL ESTIMATED AS AT FEB  1983            --------
RR041DEL ------------------------------------------------------- RR041AR1

   ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------   -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE            0.90     0.80     0.85     1.00    0.10      11.1%
( 2) PAYROLL                  986.280 1097.321 1229.883 1332.472  346.192    35.1%
REVENUE
-------
( 3) ASSESSMENT REVENUE         9.357    8.468   10.461   13.204    3.847    41.1%
( 4) INVESTMENT INCOME          1.571    1.853    2.155    2.253    0.682    43.4%
                              -------- -------- -------- --------
( 5) INCOME                    10.928   10.321   12.617   15.456    4.528    41.4%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS        3.627    4.874    5.390    6.170    2.544    70.1%
( 7) MEDICAL AID AWARDS         1.301    1.443    2.066    2.097    0.795    61.1%
( 8) PENSION PAYMENTS           0.955    1.180    1.539    1.896    0.940    98.4%
( 9) LUMP SUM RE AMEND.         0.031    0.082    0.128    0.085    0.055   179.0%
(10) REHABILITATION             0.054    0.108    0.192    0.265    0.211   390.9%
(11) LESS: THIRD PARTY RECOV.   0.020    0.014    0.030    0.024    0.004    18.6%
                              -------- -------- -------- --------
(12) BENEFIT PAYMENTS           5.948    7.673    9.285   10.489    4.541    76.4%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION        0.883    1.207    1.443    1.612    0.730    82.6%
(14) SAFETY ASSOCIATION         0.000    0.000    0.000    0.000    0.000     0.0%
(15) LEVY RE SI & RS            0.917    1.314    1.892    2.802    1.884   205.4%
(16) LESS : SIEF RELIEF         0.640    0.808    1.407    1.460    0.820   128.0%
(17) LESS : RS RELIEF           0.000    0.000    0.000    0.000    0.000     0.0%
                              -------- -------- -------- --------
(18) OTHER COSTS                1.160    1.713    1.928    2.954    1.794   154.7%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER   0.000   -0.015    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)   3.821    0.935    1.404    2.013   -1.807   -47.3%
(21) ASSETS AT JAN 1ST         17.196   21.017   21.937   23.341    6.145    35.7%
                              -------- -------- -------- --------
(22) ASSETS AT DEC 31ST        21.017   21.937   23.341   25.354    4.337    20.6%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB       1.994    2.304    3.485    3.280    1.286    64.5%
(24) SPECIAL INCR IN LIAB       1.653    0.000    3.522    9.068    7.415   448.6%
                              -------- -------- -------- --------
(25) TOTAL INCR IN LIAB         3.647    2.304    7.007   12.348    8.701   238.6%
(26) LIABILITY AS AT JAN 1ST   17.406   21.053   23.357   30.364   12.958    74.4%
                              -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST  21.053   23.357   30.364   42.712   21.659   102.9%
UNFUNDED LIABILITIES
*-------------------
(28) UNF LIAB INCR:(25)-(20)   -0.174    1.384    5.603   10.335   10.509 -6048.2%
(29) UNF LIAB AT JAN 1ST        0.210    0.036    1.420    7.023    6.813  3241.4%
                              -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST       0.036    1.420    7.023   17.358   17.322 47801.5%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 94 IS  898 :RESTAURANTS                THE 1983 RATE IS  1.11
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08/03/83                RATEGROUP ACCOUNTS IN MILLIONS                          REPORT 1
10.47.55          1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS                     PAGE2196
--------          1982 PAYROLL ESTIMATED AS AT FEB  1983                        --------
RR041DEL ------------------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION             1979     1980     1981     1982   '82 -'79  (%)
---------------------------       -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE                 0.65     0.80     0.70     0.80    0.15     23.1%
( 2) PAYROLL                     1338.763 1468.608 1708.279 1898.499  559.735   41.8%
REVENUE
-------
( 3) ASSESSMENT REVENUE             8.630    8.602   12.148   15.014    6.384   74.0%
( 4) INVESTMENT INCOME              1.867    2.111    2.471    2.654    0.787   42.1%
                                  -------- -------- -------- --------
( 5) INCOME                        10.498   10.714   14.619   17.668    7.171   68.3%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS            4.141    5.024    5.600    6.413    2.271   54.8%
( 7) MEDICAL AID AWARDS             1.241    1.249    1.740    1.707    0.466   37.6%
( 8) PENSION PAYMENTS               1.235    1.607    2.120    2.656    1.421  115.1%
( 9) LUMP SUM RE AMEND.             0.024    0.107    0.168    0.114    0.091  385.9%
(10) REHABILITATION                 0.090    0.163    0.303    0.356    0.265  293.9%
(11) LESS: THIRD PARTY RECOV.       0.019    0.015    0.035    0.027    0.009   46.2%
                                  -------- -------- -------- --------
(12) BENEFIT PAYMENTS               6.712    8.136    9.895   11.218    4.506   67.1%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION            0.996    1.280    1.538    1.724    0.728   73.1%
(14) SAFETY ASSOCIATION             0.000    0.000    0.000    0.000    0.000    0.0%
(15) LEVY RE SI & RS                0.846    1.334    2.197    3.186    2.340  276.6%
(16) LESS : SIEF RELIEF             0.804    0.837    1.179    1.753    0.949  118.1%
(17) LESS : RS RELIEF               0.000    0.000    0.000    0.000    0.000    0.0%
                                  -------- -------- -------- --------
(18) OTHER COSTS                    1.038    1.777    2.558    3.157    2.119  204.1%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER       0.000   -0.015    0.000    0.000    0.000    0.0%
(20) NET INCOME:(5)-(12)-(18)       2.747    0.801    2.168    3.293    0.546   19.9%
(21) ASSETS AT JAN 1ST             21.338   24.085   24.871   27.039    5.701   26.7%
                                  -------- -------- -------- --------
(22) ASSETS AT DEC 31ST            24.085   24.871   27.039   30.332    6.247   25.9%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB           2.531    2.873    3.433    3.694    1.164   46.0%
(24) SPECIAL INCR IN LIAB           2.518    0.000    5.207   10.207    7.689  305.3%
                                  -------- -------- -------- --------
(25) TOTAL INCR IN LIAB             5.049    2.873    8.640   13.902    8.853  175.3%
(26) LIABILITY AS AT JAN 1ST       23.953   29.002   31.875   40.515   16.562   69.1%
                                  -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST      29.002   31.875   40.515   54.417   25.415   87.6%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)        2.302    2.087    6.472   10.609    8.307  360.9%
(29) UNF LIAB AT JAN 1ST            2.615    4.917    7.004   13.476   10.861  415.3%
                                  -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST           4.917    7.004   13.476   24.085   19.168  389.8%

---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

 RATEGROUP # 96 IS  916 :WHOLESALE                      THE 1983 RATE IS  0.90
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08/03/83               RATEGROUP ACCOUNTS IN MILLIONS                 REPORT 1
10.47.55          1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS           PAGE2198
--------          1982 PAYROLL ESTIMATED AS AT FEB  1983              --------
RR041DEL --------------------------------------------------------------- RR041AR1

    ACCOUNT DESCRIPTION          1979     1980     1981     1982   '82 -'79  (%)
---------------------------    -------- -------- -------- -------- -------- ----

( 1) ASSESSMENT RATE             1.00     0.85     0.85     1.00     0.00      0.0%
( 2) PAYROLL                   711.994  793.158  900.294 1112.658  400.664    56.3%
REVENUE
-------
( 3) ASSESSMENT REVENUE          7.220    6.508    7.799   10.985    3.765    52.1%
( 4) INVESTMENT INCOME           0.824    0.974    1.088    1.082    0.258    31.3%
                               -------- -------- -------- --------
( 5) INCOME                      8.045    7.483    8.888   12.068    4.023    50.0%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS         3.568    4.493    4.931    6.262    2.694    75.5%
( 7) MEDICAL AID AWARDS          0.800    0.928    1.218    1.341    0.541    67.7%
( 8) PENSION PAYMENTS            0.320    0.499    0.779    1.085    0.764   238.5%
( 9) LUMP SUM RE AMEND.          0.007    0.061    0.045    0.076    0.069   993.4%
(10) REHABILITATION              0.099    0.130    0.240    0.319    0.221   224.1%
(11) LESS: THIRD PARTY RECOV.    0.016    0.011    0.023    0.020    0.004    27.8%
                               -------- -------- -------- --------
(12) BENEFIT PAYMENTS            4.778    6.102    7.190    9.064    4.286    89.7%
OTHER COSTS
-----------
(13) WCBO ADMINISTRATION         0.709    0.980    1.118    1.393    0.684    96.5%
(14) SAFETY ASSOCIATION          0.159    0.203    0.256    0.337    0.177   111.4%
(15) LEVY RE SI & RS             0.708    1.010    1.411    2.331    1.623   229.3%
(16) LESS : SIEF RELIEF          0.648    1.002    1.165    1.515    0.867   133.9%
(17) LESS : RS RELIEF            0.000    0.000    0.000    0.000    0.000     0.0%
                               -------- -------- -------- --------
(18) OTHER COSTS                 0.929    1.171    1.620    2.546    1.617   174.2%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER    0.000   -0.013    0.000    0.000    0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)    2.338    0.211    0.077    0.458   -1.880   -80.4%
(21) ASSETS AT JAN 1ST           8.857   11.195   11.392   11.469    2.612    29.5%
                               -------- -------- -------- --------
(22) ASSETS AT DEC 31ST         11.195   11.392   11.469   11.927    0.732     6.5%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB        2.819    8.621    3.210    3.599    0.780    27.7%
(24) SPECIAL INCR IN LIAB        0.695    0.000    2.806    5.375    4.680   673.1%
                               -------- -------- -------- --------
(25) TOTAL INCR IN LIAB          3.515    8.621    6.016    8.974    5.459   155.3%
(26) LIABILITY AS AT JAN 1ST     4.602    8.117   16.737   22.753   18.151   394.4%
                               -------- -------- -------- --------
(27) LIABILITY AS AT DEC 31ST    8.117   16.737   22.753   31.727   23.610   290.9%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     1.177    8.423    5.938    8.516    7.339   623.6%
(29) UNF LIAB AT JAN 1ST        -4.255   -3.078    5.345   11.284   15.539  -365.2%
                               -------- -------- -------- --------
(30) UNF LIAB AT DEC 31ST       -3.078    5.345   11.284   19.800   22.878  -743.3%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 98 IS  931 :RETAIL - FOOD                THE 1983 RATE IS  1.15
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06/03/83                 RATEGROUP ACCOUNTS
10.47.55         1979 TO 1982 INDIVIDUAL RATEGROUP RESULTS                 PAGE2199
--------         1982 PAYROLL ESTIMATED AS AT FEB  1983                    --------
RR041DEL ------------------------------------------------------------------ RR041AR1

    ACCOUNT DESCRIPTION           1979      1980      1981      1982   '82 -'79   (%)
---------------------------     --------  --------  --------  --------  --------  ----

( 1) ASSESSMENT RATE              0.55      0.55      0.60      0.55      0.00      0.0%
( 2) PAYROLL                   1909.926  2054.932  2311.915  2451.917   541.990    28.4%
REVENUE
-------
( 3) ASSESSMENT REVENUE          10.379    11.359    13.942    13.426     3.047    29.4%
( 4) INVESTMENT INCOME            2.150     2.617     3.304     3.542     1.393    64.8%
                               --------  --------  --------  --------
( 5) INCOME                      12.529    13.976    17.246    16.968     4.439    35.4%
BENEFIT PAYMENTS
----------------
( 6) COMPENSATION AWARDS          3.718     4.299     4.981     5.977     2.259    60.8%
( 7) MEDICAL AID AWARDS           1.151     1.209     1.625     1.776     0.625    54.3%
( 8) PENSION PAYMENTS             1.734     2.122     2.561     3.077     1.343    77.5%
( 9) LUMP SUM RE AMEND.           0.064     0.115     0.220     0.101     0.037    57.3%
(10) REHABILITATION               0.065     0.116     0.212     0.242     0.177   273.7%
(11) LESS: THIRD PARTY RECOV.     0.022     0.019     0.041     0.024     0.002     8.7%
                               --------  --------  --------  --------
(12) BENEFIT PAYMENTS             6.710     7.842     9.558    11.149     4.439    66.2%
OTHER COSTS
-----------
(13) WCBD ADMINISTRATION          0.996     1.233     1.486     1.714     0.718    72.1%
(14) SAFETY ASSOCIATION           0.224     0.261     0.341     0.414     0.190    85.1%
(15) LEVY RE SI & RS              1.017     1.762     2.522     2.849     1.831   180.0%
(16) LESS : SIEF RELIEF           0.683     1.254     1.285     1.689     1.006   147.2%
(17) LESS : RS RELIEF             0.000     0.000     0.000     0.000     0.000     0.0%
                               --------  --------  --------  --------
(18) OTHER COSTS                  1.553     2.002     3.063     3.287     1.734   111.6%
ASSETS
------
(19) SPECIAL YEAREND TRANSFER     0.000    -0.017     0.000     0.000     0.000     0.0%
(20) NET INCOME:(5)-(12)-(18)     4.266     4.132     4.625     2.533    -1.733   -40.6%
(21) ASSETS AT JAN 1ST           24.011    28.277    32.391    37.016    13.005    54.2%
                               --------  --------  --------  --------
(22) ASSETS AT DEC 31ST          28.277    32.391    37.016    39.549    11.272    39.9%
LIABILITIES
-----------
(23) REGULAR INCR IN LIAB         0.641    -2.388     2.637     2.747     2.106   328.6%
(24) SPECIAL INCR IN LIAB         3.240     0.000     5.656     8.844     5.604   172.9%
                               --------  --------  --------  --------
(25) TOTAL INCR IN LIAB           3.881    -2.388     8.293    11.591     7.710   198.6%
(26) LIABILITY AS AT JAN 1ST     34.240    38.122    35.734    44.027     9.786    28.6%
                               --------  --------  --------  --------
(27) LIABILITY AS AT DEC 31ST    38.122    35.734    44.027    55.617    17.496    45.9%
UNFUNDED LIABILITIES
--------------------
(28) UNF LIAB INCR:(25)-(20)     -0.385    -6.502     3.668     9.058     9.443 -2454.1%
(29) UNF LIAB AT JAN 1ST         10.229     9.845     3.342     7.010    -3.219   -31.5%
                               --------  --------  --------  --------
(30) UNF LIAB AT DEC 31ST         9.845     3.342     7.010    16.068     6.224    63.2%

 ---- NONE OF THE RESULTS HAS BEEN AUDITED AND E. & O.E.

  RATEGROUP # 99 IS  934 :RETAIL - OTHER THAN FOOD      THE 1983 RATE IS  0.55
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POOR

QUALITY

ORIGINAL